City of Saratoga Springs, New York

Financial Report

December 31, 2024

City of Saratoga Springs, New York

Financial Report

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C O N T E N T S

Page

Independent Auditor's Report 1-3

Management's Discussion and Analysis 4-15

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position 16

Statement of Activities 17

Fund Financial Statements

Balance Sheet - Governmental Funds 18

Reconciliation of the Total Fund Balances Shown in the Governmental Funds to the Statement of Net Position 19

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 20

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position Shown in the Statement of Activities 21

Statement of Fiduciary Net Position - Custodial Funds 22

Statement of Changes in Fiduciary Net Position - Custodial Funds 23

Component Unit Financial Statements

Statement of Net Position 24

Statement of Revenues, Expenses, and Changes in Net Position 25

Statement of Cash Flows 26

Notes to Financial Statements 27-62

Required Supplementary Information

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund 63

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund 64

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Fund 65

Schedule of Other Postemployment Benefits Liability 66

Schedule of Proportionate Share of the Net Pension Liability/Asset 67

Schedule of Pension Contributions 68

Supplementary Information

Combining Non-Major Governmental Funds 69

Combining Balance Sheet - Non-Major Governmental Funds 70

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds 71

Independent Auditor's Report

Mayor and Members of the City Council
City of Saratoga Springs, New York

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Saratoga Springs, New York (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Adverse Opinion on Governmental Activities and Discretely Presented Component Unit

In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the governmental activities and discretely presented component unit of the City as of December 31, 2024, or the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Governmental Activities and Discretely Presented Component Unit

As discussed in Note 1c to the financial statements, the City has not maintained accounting records to support the completeness and accuracy of capital asset balances. Accounting principles generally accepted in the United States of America require the capitalization and depreciation of capital assets. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities and discretely presented component unit has not been determined.

Emphasis of Matter

As discussed in Note 1o to the financial statements, the 2023 financial statements of the governmental activities and the Capital Projects Fund have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the accompanying table of contents on pages 4 through 15 and pages 63 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major governmental fund financial statements on pages 69 through 71 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual non-major governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BST + Co. CPAs, LLP

Latham, New York
November 17, 2025

City of Saratoga Springs, New York

Management's Discussion and Analysis
December 31, 2024

As management of the City of Saratoga Springs, New York (City), we offer the readers of the City's financial statements this narrative overview and analysis as of December 31, 2024. We encourage readers to consider the information presented here in conjunction with our financial statements, which can be found on pages 16 through 62 of this report, and our required and other supplementary information, which can be found on pages 63 through 71.

Financial Highlights

Governmental Activities

- The assets and deferred outflows of resources of the City were exceeded by its liabilities and deferred inflows of resources on December 31, 2024 by $77,038,736, representing deficit net position. Of this amount, $49,815,677 represents the City's investment in capital assets, net of related debt, and $32,767,560 is restricted for future capital improvements, debt service, and other purposes. The remaining amount, which represents negative unrestricted net position, is ($159,621,973). The primary driver of the City's negative unrestricted net position is other postemployment benefits, compensated absences, and bonds payable of $124,359,292, $4,807,927, and $101,411,515, respectively.

- At December 31, 2024, the City's governmental funds reported a combined ending fund balance of $52,292,321. Of this amount, $46,437,257 of the fund balance was nonspendable, restricted, or assigned for specific purposes.

- At the end of the current year, the unassigned fund balance of the General Fund was $10,418,389.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's financial statements comprise three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private sector businesses.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Overview of the Financial Statements - Continued

Government-Wide Financial Statements - Continued

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (the discretely presented component unit). The governmental activities of the City include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community service, and interest on long-term debt. The Saratoga Springs City Center Authority (City Center) is presented as a discretely presented component unit.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Water Fund, the Sewer Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the other four governmental funds, the Downtown Special Assessment District, the West Avenue Special Assessment District, Debt Service and Community Development, are combined into a single, aggregated presentation.

The governmental fund financial statements and the reconciliations to the government-wide financial statements can be found on pages 18 through 21 of this report.

Overview of the Financial Statements - Continued

Fund Financial Statements - Continued

Discretely Presented Component Unit

The City maintains the City Center as a discretely presented component unit.

The City Center's financial statements can be found on pages 24 through 26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties other than the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City-owned programs. The accounting used for fiduciary funds is much like that used for the governmental activities.

The fiduciary fund financial statements can be found on pages 22 and 23 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 62 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources are exceeded by liabilities and deferred inflows of resources by $77,038,736 at December 31, 2024.

The largest positive portion of the City's net position reflects its investment in capital assets (i.e., land; buildings; improvements; infrastructure; work in progress; and machinery, equipment and vehicles) less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Beginning in 2022, the City has not maintained accounting records to support the completeness and accuracy of capital asset balances and has not calculated depreciation on capital asset balances. Accounting principles generally accepted in the United States of America require the capitalization and depreciation of capital assets. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities and discretely presented component unit has not been determined.

Government-Wide Financial Analysis - Continued

Condensed Statements of Net Position

	December 31,					
	Governmental Activities		Component Unit		Total	
	2024	2023 (Restated)	2024	2023	2024	2023 (Restated)
Current assets	$ 63,215,327	$ 61,787,631	$ 1,778,507	$ 1,866,837	$ 64,993,834	$ 63,654,468
Noncurrent assets and deferred outflows of resources	235,839,715	169,815,991	26,754,737	25,510,169	262,594,452	195,326,160
Total	299,055,042	231,603,622	28,533,244	27,377,006	327,588,286	258,980,628
Current liabilities	14,916,499	10,872,580	810,635	779,211	15,727,134	11,651,791
Noncurrent liabilities and deferred inflows of resources	313,322,929	298,880,669	10,583,125	10,861,725	323,906,054	309,742,394
Total	328,239,428	309,753,249	11,393,760	11,640,936	339,633,188	321,394,185
Net position (deficit)						
Net investment in capital assets	35,410,319	42,994,143	14,405,358	14,685,270	49,815,677	57,679,413
Restricted	31,498,406	28,248,231	1,269,154	1,226,237	32,767,560	29,474,468
Unrestricted (deficit)	(159,308,438)	(149,392,001)	(313,535)	(175,437)	(159,621,973)	(149,567,438)
Total net position (deficit)	**$ (92,399,713)**	**$ (78,149,627)**	**$ 15,360,977**	**$ 15,736,070**	**$ (77,038,736)**	**$ (62,413,557)**

Condensed Statements of Activities

The City experienced a decrease in net position during 2024 totaling $14,625,179, as shown in the following table:

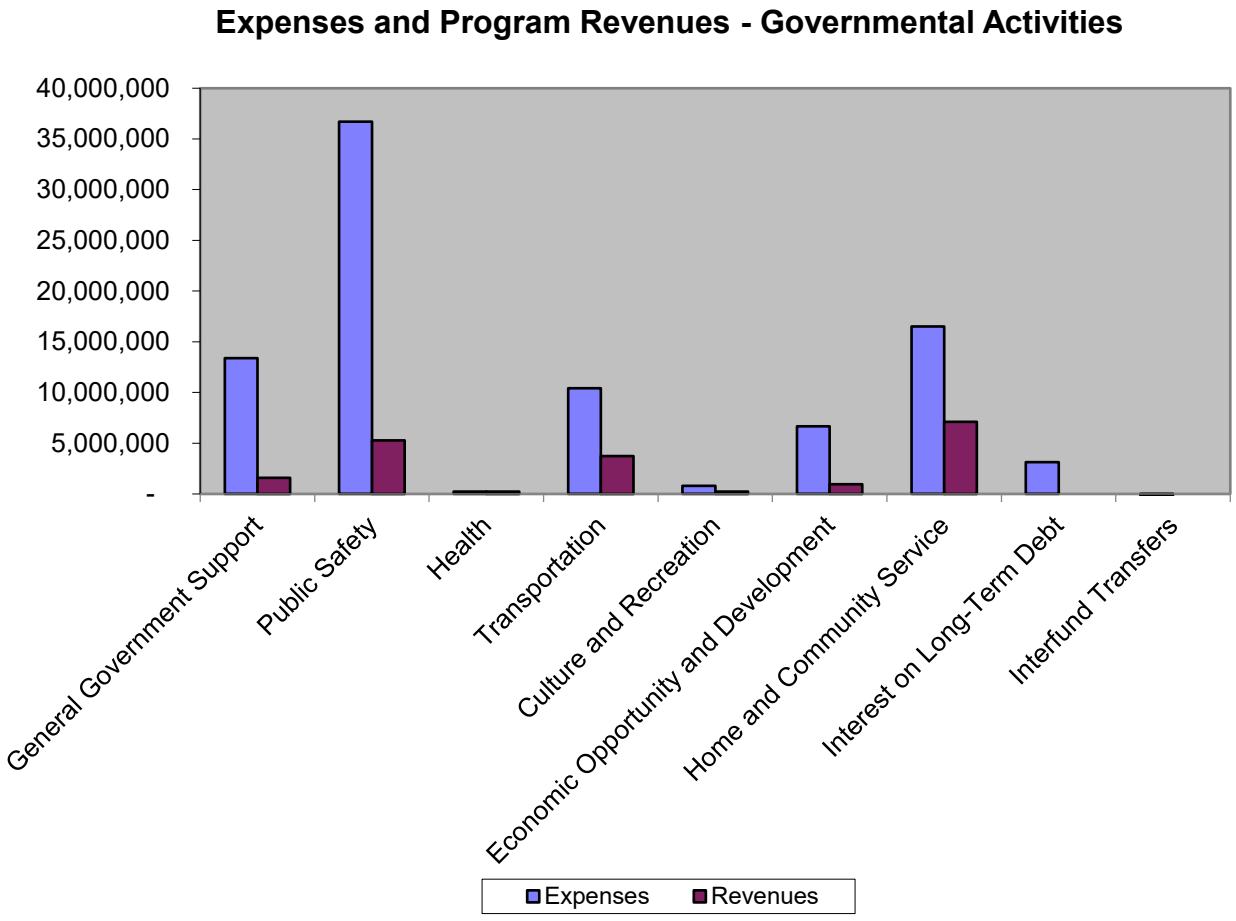
	Years Ended December 31,					
	Governmental Activities		Component Unit		Total	
	2024	2023 (Restated)	2024	2023	2024	2023 (Restated)
REVENUES						
Program revenues						
Charges for services	$ 13,883,248	$ 15,846,852	$ 1,631,782	$ 1,424,580	$ 15,515,030	$ 17,271,432
Operating grants and contributions	767,693	975,041	-	-	767,693	975,041
Capital grants and contributions	4,495,113	3,035,922	-	-	4,495,113	3,035,922
General revenues						
Property taxes	23,513,627	24,487,217	-	-	23,513,627	24,487,217
Other taxes	22,104,248	21,116,521	1,548,030	1,740,319	23,652,278	22,856,840
State aid and mortgage taxes	5,914,329	3,362,632	-	-	5,914,329	3,362,632
Other	3,074,367	5,008,776	13,571	715	3,087,938	5,009,491
Total revenues	73,752,625	73,832,961	3,193,383	3,165,614	76,946,008	76,998,575
EXPENSES						
General governmental support	13,387,023	14,651,484	-	-	13,387,023	14,651,484
Public safety	36,697,494	38,186,837	-	-	36,697,494	38,186,837
Health	228,032	510,577	-	-	228,032	510,577
Transportation	10,438,054	9,225,419	-	-	10,438,054	9,225,419
Economic opportunity and development	812,318	836,815	-	-	812,318	836,815
Culture and recreation	6,657,764	4,608,969	-	-	6,657,764	4,608,969
Home and community service	16,517,668	13,386,089	-	-	16,517,668	13,386,089
Interest on long-term debt	3,141,123	2,463,281	377,171	387,400	3,518,294	2,850,681
City Center Authority	-	-	3,314,540	3,248,922	3,314,540	3,248,922
Total expenses	87,879,476	83,869,471	3,691,711	3,636,322	91,571,187	87,505,793
Transfers	(123,235)	(55,466)	123,235	55,466	-	-
CHANGE IN NET POSITION (DEFICIT)	**(14,250,086)**	**(10,091,976)**	**(375,093)**	**(415,242)**	**(14,625,179)**	**(10,507,218)**
NET POSITION (DEFICIT), *beginning of year*	**(78,149,627)**	**(68,057,651)**	**15,736,070**	**16,151,312**	**(62,413,557)**	**(51,906,339)**
NET POSITION (DEFICIT), *end of year*	**$ (92,399,713)**	**$ (78,149,627)**	**$ 15,360,977**	**$ 15,736,070**	**$ (77,038,736)**	**$ (62,413,557)**

Government-Wide Financial Analysis - Continued

Governmental Activities

Governmental activities decreased the City's net position by $14,250,086.

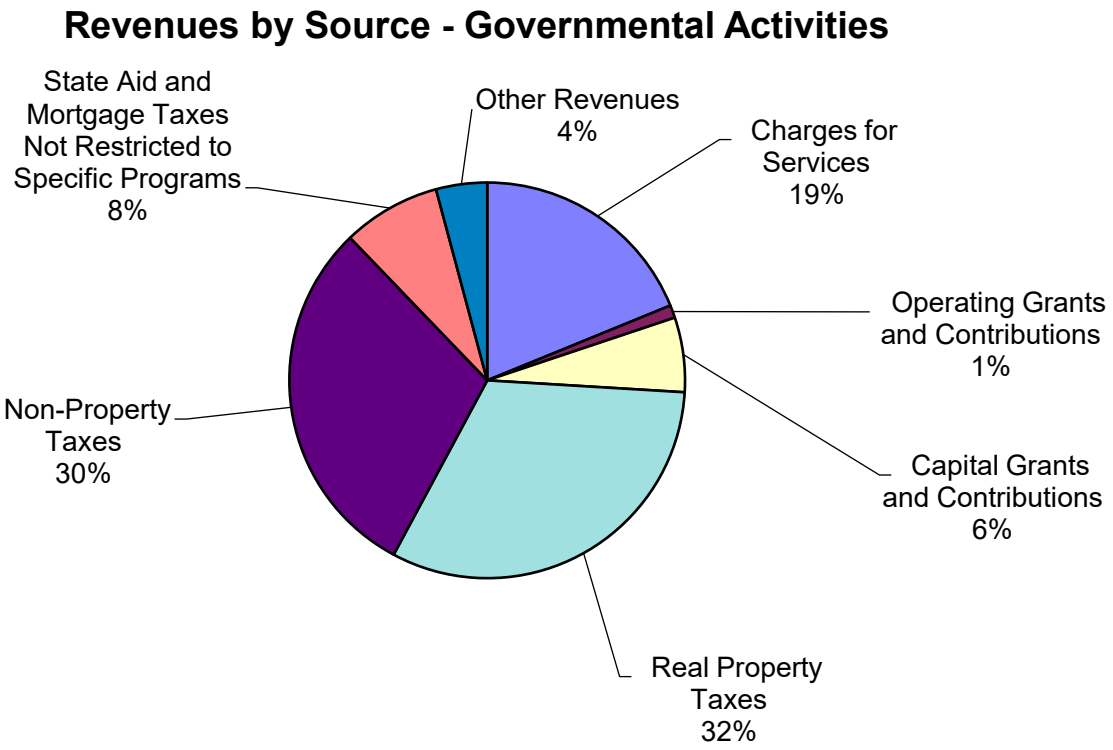
The following chart shows the expenses and program revenues of the various governmental activities:



Government-Wide Financial Analysis - Continued

Governmental Activities - Continued

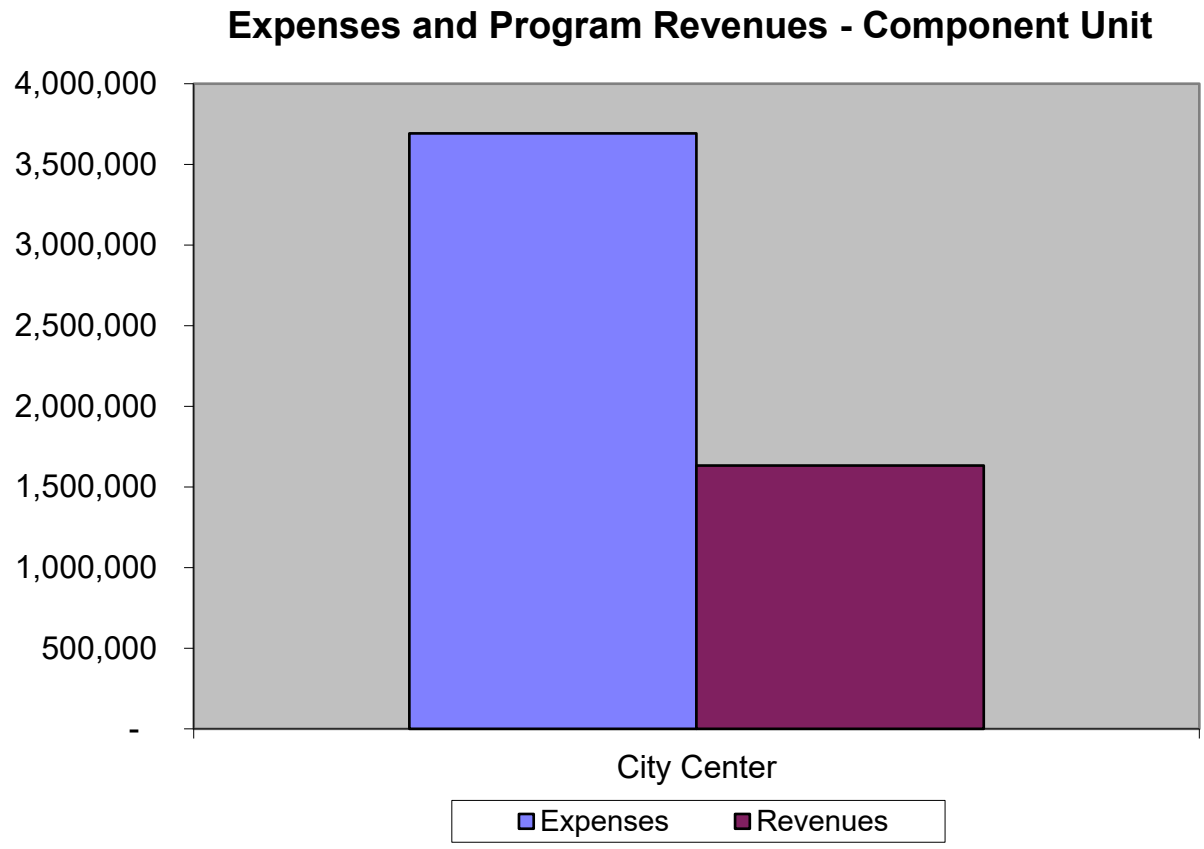
The following chart shows revenues by source for all governmental activities:



Government-Wide Financial Analysis - Continued

Discretely Presented Component Unit

The City Center's net position decreased by $375,093.

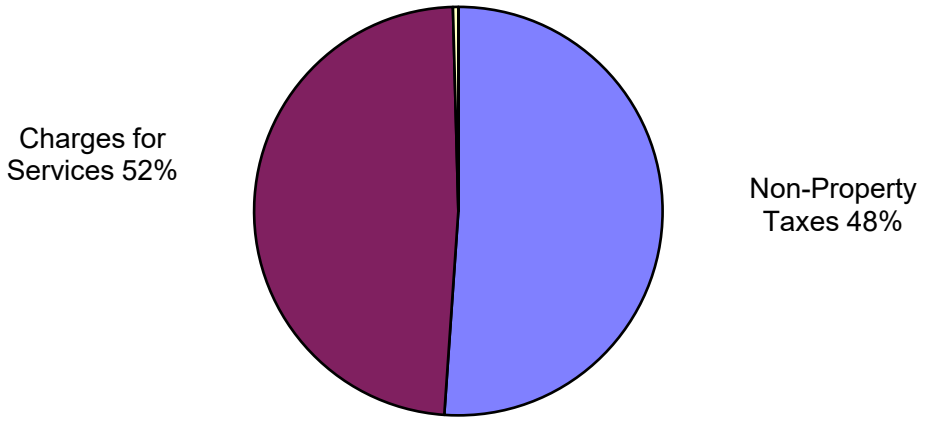


Government-Wide Financial Analysis - Continued

Discretely Presented Component Unit - Continued

The City Center is reliant upon the hotel occupancy tax and other general revenues to fund operations. The following depicts the City Center's revenues by source:

Revenues by Source - Business-Type Activities



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned/assigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the City's governmental funds reported a combined ending fund balance of $52,292,321, an increase of $5,189,002 from the prior year. Of the total fund balance, $46,437,257 is nonspendable, restricted, and assigned to indicate that it is not available for new spending because it has already been committed to (1) liquidate contracts and purchase orders of the prior period of $7,469,163; (2) be held for future capital improvements of $8,709,189; (3) restricted for capital projects of $22,008,079; (4) restricted for retirement of $769,356; or (5) various other restrictions set by the City Council, or is not in spendable form.

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was $10,418,389, while the total fund balance was $25,233,988. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.0% of total General Fund expenditures, while total fund balance represents 41.1% of that same amount.

Financial Analysis of the City's Funds - Continued

Governmental Funds - Continued

The overall fund balance of the City's General Fund decreased by $2,315,430 during the current year. Key factors in this decrease are approximated as follows:

General Fund Revenues

1. Sales Tax increased from 2023 by 5.1%. 2024 sales tax collections totaled approximately $19,304,300, a $942,100 increase from 2023 actual collection.
2. Hotel Room Occupancy Tax decreased by 1.2%. 2024 actual collections totaled approximately $784,300, a decrease of $9,400 from 2023.
3. Utilities Gross Receipts Tax decreased by 1.4%. Amounts received totaled approximately $489,500 in 2024, compared to $496,200 in 2023.
4. Franchise Fees decreased by 28.8%. Actual receipts totaled approximately $385,200 in 2024 and $540,800 in 2023.
5. Ambulance Fees increased in 2024 by 9.9%. Approximately $2,406,900 was collected in 2024, compared to $2,190,800 in 2023.
6. Admission Tax increased by 51.1%. Amounts received totaled approximately $645,400 in 2024, compared to $427,100 in 2023.
7. VLT Aid remained consistent at $2,325,600 in both 2024 and 2023.
8. Mortgage Tax receipts decreased in 2024. Actual receipts for 2024 totaled approximately $1,367,500, a 20.2% decrease in comparison to 2023.
9. State Aid Revenue Sharing remained consistent at $1,649,700 in both 2024 and 2023.
10. There were no American Rescue Plan receipts in 2024 or 2023.
11. Overall, Total General Fund Revenues in 2024 were $4,027,700 greater than 2023. Total revenues for the General Fund were approximately $60.1 million.

General Fund Expenses

1. Health Insurance costs in 2024 totaled $9,642,000 in 2024 and $8,920,000 in 2023, an increase of $722,000 or 8.1%.
2. Retirement costs totaled $2,019,600 for the New York State and Local Employees' Retirement System (ERS) and $4,423,400 for the New York State and Local Police and Fire Retirement System (PFRS), for total retirement expense of $6,443,000 in 2024. The City once again took advantage of the discount and paid the retirement bill on December 15, 2024.
3. Social Security expenses in 2024 totaled approximately $2,400,000, compared to $2,015,000 in 2023. Increased social security expenses are the result of an increase in annual salaries and positions.
4. Utility costs were budgeted for approximately $1,000,000, and actual expenses were $1,254,000 in 2024. The costs of $254,000 in excess of the budgeted amount was due to increased rates.

Financial Analysis of the City's Funds - Continued

Governmental Funds - Continued

General Fund Expenses - Continued

5. Overtime costs totaled approximately $2,197,000 in 2024 and $1,265,000 in 2023, for an increase of $932,000 or 73.7%. The budgeted amount for 2024 was $1,073,000, with actual expenses exceeding the budget by $1,124,000.
6. Sick Leave payments to employees who separate from the City were approximately $140,000 in 2024 and $153,000 in 2023, for a decrease of $13,000. These expenses will fluctuate from year to year based on the number of retirements.
7. Payments for Compensatory Time amounted to approximately $1,167,000 in 2024, a 34.9% increase from 2023 expenditures of $865,000.
8. Total Personal Services Costs (excluding social security) totaled $30,229,000 for 2024 and $27,584,000 for 2023. The budgeted amount for 2024 was $30,854,000.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities and discretely presented component unit as of December 31, 2024 amounts to $49,815,677 (net of accumulated depreciation and amortization and less outstanding debt and unspent debt proceeds). This investment in capital assets includes land; buildings; improvements; machinery, equipment and vehicles; work in progress; leases; subscription-based IT arrangements; and infrastructure assets, such as roads, streets, and water systems.

Major capital asset events that occurred during the current year included the following:

- Improvements to the City's water system.
- New radio communication system for public safety.
- Storm water improvements.
- Many recreational and park improvements.
- Various equipment for the Department of Public Works.

Capital Asset and Debt Administration - Continued

Capital Assets - Continued

	December 31,					
	Governmental Activities		Component Unit		Totals	
	2024	2023	2024	2023	2024	2023
Land	$ 5,913,188	$ 5,913,188	$ -	$ -	$ 5,913,188	$ 5,913,188
Buildings	42,910,505	42,910,505	31,979,787	31,979,787	74,890,292	74,890,292
Improvements	22,950,977	22,950,977	-	-	22,950,977	22,950,977
Machinery, equipment, and vehicles	21,289,306	21,289,306	157,169	157,169	21,446,475	21,446,475
Leases	177,084	179,235	17,572	17,572	194,656	196,807
Subscription-based IT arrangements	2,590,235	2,590,235	-	-	2,590,235	2,590,235
Infrastructure	79,763,075	79,763,075	-	-	79,763,075	79,763,075
Work in progress	35,879,755	35,879,755	-	-	35,879,755	35,879,755
Totals	211,474,125	211,476,276	32,154,528	32,154,528	243,628,653	243,630,804
Accumulated depreciation and amortization	96,870,305	92,350,926	7,634,961	7,043,198	104,505,266	99,394,124
Capital assets, net of accumulated depreciation and amortization	**$ 114,603,820**	**$ 119,125,350**	**$ 24,519,567**	**$ 25,111,330**	**$ 139,123,387**	**$ 144,236,680**

Additional information on the City's capital assets can be found in Note 1i on page 33 of this report and Note 3c on pages 39 and 40.

Long-Term Debt

At the end of the current year, the City had total bonded debt outstanding of $101,411,515. In addition, the City Center had total construction-related debt outstanding of $10,105,010 at December 31, 2024.

The City maintains an "AA+" rating from Standard & Poor's for general obligation debt.

New York State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year average of the total assessed valuation. The current debt limitation is significantly in excess of the City's outstanding general obligation debt. In addition, the City has a self-imposed limit of 2% of the five-year average total assessed value. The City's debt limitation is $114,180,939, which is also significantly in excess of the City's outstanding general obligation debt.

Other long-term debt includes the City's obligations for other postemployment benefits, which is primarily health insurance for eligible retirees and the City's obligations associated with its participation in ERS and PFRS.

Additional information on the City's long-term debt can be found in the notes to the financial statements.

Economic Factors

The City is growing and thriving. The City is home to the Saratoga Race Course, one of the oldest and most prestigious thoroughbred horse racing tracks in the United States. Each summer, the racetrack operates a schedule of races that attracts world-class horses to participate in the various graded events. Operation of the racetrack is a key factor in the area's successful tourism industry, which allows the City to generate additional revenues from sales tax, hotel occupancy tax, and other similar non-property taxes and fees. The City's residential and commercial tax base remained the same in 2024. The City has added office buildings, condominiums, and many residences in the past year; however, certain assessment claims resulted in a reduction of the overall value.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Commissioner of Finance, 474 Broadway, Saratoga Springs, New York 12866-2296.

City of Saratoga Springs, New York

Government-Wide Financial Statements
Statement of Net Position

	December 31, 2024		
	Governmental Activities	Component Unit	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 17,416,454	$ 133,165	$ 17,549,619
Cash and cash equivalents, restricted	31,706,251	1,269,154	32,975,405
Receivables, net	13,462,758	356,832	13,819,590
Inventory	115,662	-	115,662
Prepaid expenses	-	32,062	32,062
Internal balances	12,706	(12,706)	-
Lease receivable	501,232	-	501,232
Accrued interest receivable	264	-	264
Total current assets	63,215,327	1,778,507	64,993,834
NONCURRENT ASSETS			
Lease receivable	4,095,107	-	4,095,107
Nondepreciable capital assets	41,792,943	-	41,792,943
Depreciable capital assets	72,810,877	24,519,567	97,330,444
Total assets	181,914,254	26,298,074	208,212,328
DEFERRED OUTFLOWS OF RESOURCES			
OPEB deferrals	28,646,210	13,621	28,659,831
Pension deferrals	24,572,846	443,042	25,015,888
Deferred refunding charges	706,405	-	706,405
Total assets and deferred outflows of resources	235,839,715	26,754,737	262,594,452
CURRENT LIABILITIES			
Accounts payable and other current liabilities	4,445,048	481,625	4,926,673
Due to Custodial Fund	107,671	-	107,671
Deposits payable	936,006	-	936,006
Accrued interest payable	552,598	-	552,598
Current maturities on long-term liabilities	8,875,176	329,010	9,204,186
Total current liabilities	14,916,499	810,635	15,727,134
NONCURRENT LIABILITIES			
Bonds payable	99,084,988	-	99,084,988
Construction loan	-	9,784,159	9,784,159
Compensated absences	4,327,134	-	4,327,134
OPEB	120,872,908	82,162	120,955,070
Claims payable	2,441,880	-	2,441,880
Lease liability	27,193	5,577	32,770
Subscription-based IT arrangements	1,350,320	-	1,350,320
Net pension liability	24,745,963	445,362	25,191,325
Total liabilities	267,766,885	11,127,895	278,894,780
DEFERRED INFLOWS OF RESOURCES			
OPEB deferrals	45,496,755	22,506	45,519,261
Unavailable lease resources	4,516,825	-	4,516,825
Pension deferrals	10,458,963	243,359	10,702,322
Total liabilities and deferred inflows of resources	328,239,428	11,393,760	339,633,188
NET POSITION (DEFICIT)			
Net investment in capital assets	35,410,319	14,405,358	49,815,677
Restricted	31,498,406	1,269,154	32,767,560
Unrestricted (deficit)	(159,308,438)	(313,535)	(159,621,973)
Total net position (deficit)	**$ (92,399,713)**	**$ 15,360,977**	**$ (77,038,736)**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Government-Wide Financial Statements
Statement of Activities

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Component Unit	Total
	Year Ended December 31, 2024						
GOVERNMENTAL ACTIVITIES							
General governmental support	$ 13,387,023	$ 1,587,080	$ 14,470	$ -	$ (11,785,473)	$ -	$ (11,785,473)
Public safety	36,697,494	3,753,323	278,478	1,245,710	(31,419,983)	-	(31,419,983)
Health	228,032	67,312	171,764	-	11,044	-	11,044
Transportation	10,438,054	486,091	-	3,249,403	(6,702,560)	-	(6,702,560)
Economic opportunity and development	812,318	-	230,594	-	(581,724)	-	(581,724)
Culture and recreation	6,657,764	935,172	22,387	-	(5,700,205)	-	(5,700,205)
Home and community service	16,517,668	7,054,270	50,000	-	(9,413,398)	-	(9,413,398)
Interest on long-term debt	3,141,123	-	-	-	(3,141,123)	-	(3,141,123)
Total governmental activities	87,879,476	13,883,248	767,693	4,495,113	(68,733,422)	-	(68,733,422)
Component Unit							
City Center Authority	3,691,711	1,631,782	-	-	-	(2,059,929)	(2,059,929)
Total government	**$ 91,571,187**	**$ 15,515,030**	**$ 767,693**	**$ 4,495,113**	**(68,733,422)**	**(2,059,929)**	**(70,793,351)**
GENERAL REVENUES							
Real property taxes and related tax items					23,513,627	-	23,513,627
Non-property taxes					22,104,248	1,548,030	23,652,278
Other general revenue items					2,498,991	-	2,498,991
Interest earnings					575,376	13,571	588,947
State aid and mortgage taxes not restricted to specific purposes					5,914,329	-	5,914,329
Total general revenues					54,606,571	1,561,601	56,168,172
TRANSFERS							
Transfer from governmental activities to component unit					(123,235)	123,235	-
Total general revenues and transfers					54,483,336	1,684,836	56,168,172
CHANGES IN NET POSITION (DEFICIT)					**(14,250,086)**	**(375,093)**	**(14,625,179)**
NET POSITION (DEFICIT), ***beginning of year, as previously reported***					(77,688,638)	15,736,070	(61,952,568)
Error correction					(460,989)	-	(460,989)
NET POSITION (DEFICIT), ***beginning of year, as restated***					(78,149,627)	15,736,070	(62,413,557)
NET POSITION (DEFICIT), ***end of year***					**$ (92,399,713)**	**$ 15,360,977**	**$ (77,038,736)**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Balance Sheet - Governmental Funds

	December 31, 2024						
	Major Funds				Other Governmental Funds	Eliminations	Total Governmental Funds
	General	Water Activities	Sewer Activities	Capital Projects			
ASSETS							
Cash and cash equivalents	$ 15,784,244	$ -	$ -	$ -	$ 1,632,210	$ -	$ 17,416,454
Cash and cash equivalents, restricted	919,056	6,438,810	1,365,555	22,008,079	974,751	-	31,706,251
Receivables, net	6,113,773	1,948,790	2,505,298	7,285	32,606	-	10,607,752
Receivables from other governments	2,705,006	-	-	150,000	-	-	2,855,006
Lease receivable	4,596,339	-	-	-	-	-	4,596,339
Prepaid expenditures	1,528,728	36,360	26,596	-	-	-	1,591,684
Inventory	-	75,849	39,813	-	-	-	115,662
Due from custodial fund	-	-	-	-	-	-	-
Due from other funds	6,624,179	937,707	1,575	3,749,901	-	(11,300,656)	12,706
Total assets	**$ 38,271,325**	**$ 9,437,516**	**$ 3,938,837**	**$ 25,915,265**	**$ 2,639,567**	**$ (11,300,656)**	**$ 68,901,854**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	$ 1,219,081	$ 99,926	$ 3,181	$ 1,144,260	$ 108,563	$ -	$ 2,575,011
Due to other funds	153	2,322,329	2,204,808	5,908,504	864,862	(11,300,656)	-
Due to Custodial Fund	107,671	-	-	-	-	-	107,671
Deposits payable	936,006	-	-	-	-	-	936,006
Due to other governments	692,877	-	-	-	2,940	-	695,817
	2,955,788	2,422,255	2,207,989	7,052,764	976,365	(11,300,656)	4,314,505
Deferred inflows of resources							
Unavailable tax resources	3,265,622	-	-	-	-	-	3,265,622
Unavailable lease resources	4,516,825	-	-	-	-	-	4,516,825
Other unavailable resources	2,299,102	942,744	1,238,129	-	32,606	-	4,512,581
	10,081,549	942,744	1,238,129	-	32,606	-	12,295,028
Total liabilities and deferred inflows of resources	13,037,337	3,364,999	3,446,118	7,052,764	1,008,971	(11,300,656)	16,609,533
Fund balances							
Nonspendable	1,528,728	112,209	66,409	-	-	-	1,707,346
Restricted for							
Capital improvements	137,918	6,438,810	1,365,555	-	766,906	-	8,709,189
Capital projects	-	-	-	22,008,079	-	-	22,008,079
Tax stabilization reserve	556	-	-	-	-	-	556
Retirement reserve	769,356	-	-	-	-	-	769,356
Insurance reserve	11,226	-	-	-	-	-	11,226
Assigned for							
Encumbrances	7,469,163	-	-	-	-	-	7,469,163
Other miscellaneous purposes	1,552,781	-	-	-	-	-	1,552,781
2025 budget	3,345,871	-	-	-	-	-	3,345,871
Special district purposes	-	-	-	-	863,690	-	863,690
Unassigned	10,418,389	(478,502)	(939,245)	(3,145,578)	-	-	5,855,064
Total fund balances	25,233,988	6,072,517	492,719	18,862,501	1,630,596	-	52,292,321
Total liabilities, deferred inflows of resources and fund balances	**$ 38,271,325**	**$ 9,437,516**	**$ 3,938,837**	**$ 25,915,265**	**$ 2,639,567**	**$ (11,300,656)**	**$ 68,901,854**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Reconciliation of the Total Fund Balances Shown in the Governmental Funds to the Statement of Net Position

	December 31, 2024
Total fund balances in the fund financial statements for the governmental funds	$ 52,292,321
This amount differs from amounts reported for governmental activities due to the following:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	114,603,820
Accrued interest on property, school taxes, and community development loans on receivables for revenues earned and measurable but not available are added.	264
Net receivables for revenues earned and measurable but not available to provide financial resources are reported as deferred inflows of resources in the governmental funds and as revenues in the government-wide statement of activities, net of the allowance for uncollectible balances.	6,603,983
Deferred outflows and inflows for pensions are included in the government-wide statements and are added:	
Prepaid expenditures - pension contributions	(1,591,684)
Deferred outflows - pension resources	24,572,846
Deferred inflows - pension resources	(10,458,963)
Deferred outflows and inflows for OPEB are included in the government-wide statements and are added:	
Deferred outflows - OPEB resources	28,646,210
Deferred inflows - OPEB resources	(45,496,755)
Long-term liabilities for bonded debt are included as liabilities in the government-wide statements and are deducted.	(103,748,379)
The difference between the bond reacquisition price and the net carrying amount of the bond is deferred and amortized to interest expense.	706,405
Long-term liabilities for OPEB obligations of the City are included as liabilities in the government-wide statements and are deducted.	(124,272,593)
Long-term assets, liabilities, deferred outflows of resources and deferred inflows of resources related to pension obligations are reported within the government-wide statements.	(24,745,963)
Liabilities for compensated absences are included in the government-wide statements and are deducted.	(4,807,927)
Liabilities for lease liabilities are included in the government-wide statements and are deducted.	(58,692)
Liabilities for subscription-based IT arrangements are included in the government-wide statements and are deducted.	(1,650,128)
Liabilities for claims against the City are included in the government-wide statements and are deducted.	(2,441,880)
Current liabilities for interest payable on long-term debt are included in the government-wide statements as liabilities and are deducted.	(552,598)
Net deficit of governmental activities	**$ (92,399,713)**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended December 31, 2024					
	Major Funds				Other	Total
	General	Water Activities	Sewer Activities	Capital Projects	Governmental Funds	Governmental Funds
REVENUES						
Real property taxes and related tax items	$ 18,108,023	$ -	$ -	$ -	$ 5,405,604	$ 23,513,627
Non-property taxes	22,104,248	-	-	-	-	22,104,248
Water charges	-	4,816,524	-	-	-	4,816,524
Sewer charges	-	-	6,050,035	-	-	6,050,035
Departmental income	5,358,301	-	-	-	-	5,358,301
Intergovernmental charges	756,249	-	-	-	-	756,249
Use of money and property	1,258,335	109	47,917	12,248	216,790	1,535,399
Licenses and permits	907,396	-	-	-	-	907,396
Fines and forfeitures	29,180	-	-	-	-	29,180
Sale of property and compensation for loss	1,113,288	71,349	27,328	-	-	1,211,965
Miscellaneous	2,742,537	1,175	-	21,738	97,470	2,862,920
State aid	5,807,389	-	-	703,827	-	6,511,216
Federal aid	1,524,724	-	-	617,800	230,594	2,373,118
Total revenues	59,709,670	4,889,157	6,125,280	1,355,613	5,950,458	78,030,178
EXPENDITURES						
General governmental support	9,061,867	-	-	-	50,322	9,112,189
Public safety	23,413,980	-	-	-	-	23,413,980
Health	175,349	-	-	-	-	175,349
Transportation	5,917,112	-	-	-	-	5,917,112
Economic opportunity and development	686,803	-	-	-	60,434	747,237
Culture and recreation	3,050,537	-	-	-	-	3,050,537
Home and community service	1,319,623	2,790,578	5,103,125	-	299,475	9,512,801
Employee benefits	15,664,715	614,103	344,830	-	-	16,623,648
Debt service						
Principal	345,939	725,373	144,888	-	3,586,403	4,802,603
Interest	56,643	567,097	129,837	-	2,515,275	3,268,852
Capital outlays	1,749,953	-	-	6,100,195	-	7,850,148
Total expenditures	61,442,521	4,697,151	5,722,680	6,100,195	6,511,909	84,474,456
Excess (deficiency) of revenues over expenditures	**(1,732,851)**	**192,006**	**402,600**	**(4,744,582)**	**(561,451)**	**(6,444,278)**
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	11,756,515	-	11,756,515
Interfund transfers in	40,656	24,383	-	623	799,066	864,728
Interfund transfers out	(623,235)	-	-	(273,946)	(90,782)	(987,963)
Total other financing sources (uses)	(582,579)	24,383	-	11,483,192	708,284	11,633,280
NET CHANGE IN FUND BALANCES	**(2,315,430)**	**216,389**	**402,600**	**6,738,610**	**146,833**	**5,189,002**
FUND BALANCES, ***beginning of year, as previously reported***	27,549,418	5,856,128	90,119	12,584,880	1,483,763	47,564,308
Error correction	-	-	-	(460,989)	-	(460,989)
FUND BALANCES, ***beginning of year, as restated***	27,549,418	5,856,128	90,119	12,123,891	1,483,763	47,103,319
FUND BALANCES, ***end of year***	**$ 25,233,988**	**$ 6,072,517**	**$ 492,719**	**$ 18,862,501**	**$ 1,630,596**	**$ 52,292,321**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position Shown in the Statement of Activities

		Year Ended December 31, 2024
Net change in fund balances shown for total governmental funds		$ 5,189,002
This amount differs from the change in net position shown in the statement of activities because of the following:		
Outlays for the acquisition of capital assets are recorded in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which disposals and depreciation exceeded the capital expenditures capitalized during the year.		
Asset disposals	(2,151)	
Depreciation expense	(4,519,379)	(4,521,530)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of proceeds and repayments:		
Repayment and refunding of bond principal	4,456,664	
Amortization of bond premiums	173,189	
Long-term debt proceeds	(11,756,515)	(7,126,662)
Refunding bonds were issued at a premium that will be amortized into interest expense. Amounts placed into escrow to pay principal and interest on the refunded bonds in excess of book value are reported as deferred outflows of resources and amortized into interest expense.		
Premiums on refunding bonds	(159,181)	
Amortization of deferred charges on refunding bonds	(77,559)	(236,740)
Long-term assets, liabilities, deferred outflows of resources and deferred inflows of resources related to pension obligations are reported within the government-wide statements.		
Net pension liability, net of deferrals		(2,430,063)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Pension-related deferred outflows and inflows represent long-term activity and are not reported in the funds.		
Accrued interest payable	32,099	
Compensated absences	(81,118)	
OPEB, net of deferrals	(1,302,641)	(1,351,660)
Right-to-use assets from leases and subscription-based IT arrangements provide current financial resources to governmental funds, but the related liabilities increase long-term liabilities in the statement of net position. Repayment of the liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of lease liability	32,488	
Repayment of subscription-based IT arrangements	313,451	345,939
Deferred inflows of resources related to the City's revenues that will be collected after year-end but are not available soon enough to pay for the current period's expenditures are deferred in the funds.		(4,118,372)
Change in net position of governmental activities		**$ (14,250,086)**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Statement of Fiduciary Net Position - Custodial Funds

	December 31, 2024	
	Custodial Fund	Private Purpose Trust
ASSETS		
Cash and cash equivalents	$ 1,613,187	$ 50,924
Due from other funds	107,671	-
Total assets	1,720,858	50,924
NET POSITION		
Restricted		
Building and zoning escrow	1,720,858	-
Congress Park veterans' memorial	-	50,924
	$ 1,720,858	**$ 50,924**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Statement of Changes in Fiduciary Net Position - Custodial Funds

	Year Ended December 31, 2024	
	Custodial Fund	Private Purpose Trust
ADDITIONS		
Building and zoning escrow	$ 221,295	$ -
Donations	-	12,150
Interest earnings	812	159
Total additions	222,107	12,309
DEDUCTIONS		
Building and zoning escrow	202,150	306
CHANGE IN NET POSITION	**19,957**	**12,003**
NET POSITION, ***beginning of year***	1,700,901	38,921
NET POSITION, ***end of year***	**$ 1,720,858**	**$ 50,924**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Component Unit Financial Statements
Statement of Net Position

	December 31, 2024
	City Center Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash and cash equivalents	$ 133,165
Cash and cash equivalents, restricted	1,269,154
Receivables	356,832
Prepaid expenses	32,062
Total current assets	1,791,213
NONCURRENT ASSETS	
Depreciable capital assets	24,519,567
Total assets	26,310,780
DEFERRED OUTFLOWS OF RESOURCES	
OPEB deferrals	13,621
Pension deferrals	443,042
Total deferred outflows of resources	456,663
Total assets and deferred outflows of resources	26,767,443
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable and other current liabilities	481,625
Construction loan, current	320,851
Lease liability, current	3,622
Due to governmental funds	12,706
OPEB, current	4,537
Total current liabilities	823,341
NONCURRENT LIABILITIES	
Construction loan	9,784,159
Lease liability	5,577
Net pension liability	445,362
OPEB, less current portion	82,162
Total liabilities	11,140,601
DEFERRED INFLOWS OF RESOURCES	
OPEB deferrals	22,506
Pension deferrals	243,359
Total deferred inflows of resources	265,865
Total liabilities and deferred inflows of resources	11,406,466
NET POSITION	
Investment in capital assets, net of related debt	14,405,358
Restricted for capital improvements	1,269,154
Unrestricted	(313,535)
Total net position	**$ 15,360,977**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Component Unit Financial Statements
Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended December 31, 2024
	City Center Authority
OPERATING REVENUES	
Facility charges	$ 1,631,782
OPERATING EXPENSES	
Costs of sales and services	1,291,091
Administration	1,431,686
Depreciation	591,763
Total operating expenses	3,314,540
Operating loss	**(1,682,758)**
NONOPERATING REVENUES (EXPENSES)	
Hotel occupancy tax	1,548,030
Interest and earnings	13,571
Interest expense	(377,171)
Total nonoperating revenues (expenses)	1,184,430
Loss before transfers	**(498,328)**
Transfer from governmental funds	123,235
CHANGE IN NET POSITION	**(375,093)**
NET POSITION, *beginning of year*	15,736,070
NET POSITION, *end of year*	**$ 15,360,977**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Component Unit Financial Statements
Statement of Cash Flows

	Year Ended December 31, 2024
	City Center Authority
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	
Charges for services	$ 1,705,286
Payments to contractors and suppliers	(1,530,082)
Payments to employees, payroll taxes and benefits	(1,190,409)
	(1,015,205)
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments on construction loan	(308,473)
Payments on lease liability	(3,378)
Interest paid	(377,171)
	(689,022)
CASH FLOWS PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Hotel occupancy tax	1,548,030
Transfers and other	123,891
	1,671,921
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	
Interest received	**13,571**
Net decrease in cash and cash equivalents	**(18,735)**
CASH AND CASH EQUIVALENTS, ***beginning of year***	1,421,054
CASH AND CASH EQUIVALENTS, ***end of year***	**$ 1,402,319**
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating loss	$ (1,682,758)
Depreciation	591,763
(Increase) decrease in	
Receivables	73,504
Prepaid expenses	(4,565)
Deferred outflows of resources, pension deferrals	(55,621)
Deferred outflows of resources, OPEB deferrals	(2,203)
Increase (decrease) in	
Accounts payable and other current liabilities	14,263
Deferred inflows of resources, pension deferrals	204,148
Deferred inflows of resources, OPEB deferrals	(1,809)
Net pension liability	(144,898)
OPEB	(7,029)
Net cash provided (used) by operating activities	**$ (1,015,205)**

See accompanying Notes to Financial Statements.

Note 1 - Organization and Summary of Significant Accounting Policies

The financial statements of the City of Saratoga Springs, New York (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

a. Reporting Entity

The City of Saratoga Springs, New York was incorporated as a City in 1915 and is governed by its Charter, City Local Laws, General City Law, and other general laws of the State of New York. The City is a municipal corporation governed by a five-member elected Council, one Mayor, and four Commissioners. Each Commissioner serves as the head of a department: Finance, Public Works, Public Safety, and Accounts. The Mayor serves as Chief Executive Officer, and the Commissioner of Finance serves as the Chief Fiscal Officer. The City provides water, sewer, police and fire protection, highway and street, cultural and recreational, public improvement, planning and zoning, and general administrative services to the residents of the City.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in U.S. GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the City and/or its citizens, or whether the activity is conducted within geographic boundaries of the City and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based on the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

The following is included in the reporting entity:

Saratoga Springs City Center Authority

The Saratoga Springs City Center Authority (City Center) was created by New York State under Section 2490-C of Public Authorities Law. The City Center board of trustees consists of a chairman and six other members, all of whom are appointed by the mayor of the City, with the consent of the City Council.

The Mayor or their designee serves as an ex officio, non-voting member of the board of trustees while in office. The City Center was created for the purposes of designing, constructing and operating a convention center with the City, which includes bonding authority separate from the City. The City Center is exempt from taxes. The City Center is reported as a discretely presented component unit.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

a. Reporting Entity - Continued

The following are excluded from the reporting entity:

City of Saratoga Springs School District

The City of Saratoga Springs School District (School District) was created by New York State legislation that designates the School Board as the governing authority. School Board members are elected by the qualified voters of the School District. The School Board designates management and exercises complete responsibility for all fiscal matters. The City Council exercises no oversight over school operations.

Saratoga Springs Housing Authority

The Saratoga Springs Housing Authority's (Housing Authority) governing board is appointed by the Chief Executive Officer of the City. The City provides no subsidy to the Housing Authority nor is it responsible for debt or operating deficits of the Housing Authority. The Housing Authority's debt is essentially supported by operating revenues of the Housing Authority and is not guaranteed by the City. The City does not appoint management of the Housing Authority, nor does it approve the Housing Authority's budget, contracts, or hiring staff. The City has no oversight responsibility for funds of the Housing Authority.

The City's significant accounting policies are described below:

b. Government-Wide and Fund Financial Statements

The governmental reporting model includes the following sections: Management's Discussion and Analysis, Government-Wide Financial Statements, and Fund Financial Statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government. The effect of interfund activities has been removed from these statements.

The statement of net position presents the financial condition of the City's activities at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenues needed to help finance the specific activities.

Funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types."

Separate financial statements are provided for governmental and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. A fund is a separate accounting entity with a self-balancing set of accounts.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, discretely presented component unit, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recorded in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the related cash flows. Property taxes are recognized as revenues in the year they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City has not maintained accounting records to support the completeness and accuracy of capital asset balances and has not calculated depreciation on capital asset balances. U.S. GAAP requires the capitalization and depreciation of capital assets. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities and discretely presented component unit has not been determined.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances of these funds presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current assets.

Under the modified accrual basis of accounting, governmental fund revenues are recognized when susceptible to accrual (i.e., as soon as they are both measurable and available). “Measurable” means the amount of the transaction can be reasonably determined, and “available” means the related cash resources are collectible within the current period or soon enough thereafter to be used to pay current liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting, except that:

- Payments for the acquisition of inventory-type items are recorded as expenditures when the related amounts are due and payable. This method is generally referred to as the “purchase” method, as opposed to the “consumption” method used in the government-wide financial statements.
- Principal and interest on indebtedness are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Compensated absences, such as vacation leave and compensation time, which vest or accumulate with eligible employees, are recorded as expenditures in the payroll period that the credits are used by employees.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Property taxes, water and sewer rents, sales taxes, mortgage taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash (i.e., fine, permit, and parking meter revenues).

The City also reports deferred inflows of resources in its fund financial statements for certain revenues other than property taxes. Deferred inflows of resources arise when potential revenue does not meet both of the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for its deferred inflows of resources is removed from the balance sheet and revenue is recognized.

d. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The activities of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and other financing sources (uses), which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations or limitations. The City's fund types are as follows:

Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The City's governmental funds are as follows:

i. The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund operates within the financial limits of an annual budget adopted by the City Council.

ii. The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

iii. The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities. Financing is generally provided from proceeds of bonds, notes, federal and state grants, and transfers from other governmental funds.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Fund Accounting - Continued

Fund Types - Continued

iv. *Special revenue funds* are used to account for specific revenues (other than those generated for major capital projects) that are legally restricted to expenditures for particular purposes. The City reports the following special revenue funds:

- The Special Grant Fund (Community Development) is used to account for federally funded community development block grants, revolving loan funds, and other federally funded programs.
- The Water Fund is used to report operations of the City's water treatment and supply facilities that provide drinking water to all City residents, as well as to certain local communities outside of the City's corporate boundaries. Users of the water system, inside and outside of the City limits, are charged a user fee to pay for the operation of the Water Fund. The fund also records revenues and expenses associated with extending the water line. A water service connection fee is collected when a new user taps into the system, and the revenue is reserved for future expansion of the system.
- The Sewer Fund is used to report operations of the City's wastewater treatment facilities and sanitary sewer system that is provided to all City residents. The sewer system infrastructure is owned by the Saratoga County Sewer District. Users of the sewer system are charged a fee based on an annual bill from the Saratoga County Sewer District.
- The City has two special districts: the Downtown Special Assessment District (SAD) and the West Avenue Special Assessment District (WASAD). Both were established to make improvements within the boundaries of the applicable districts and are funded by special assessments on the property owners within each district.

The *City Center Authority Fund* (Authority), the discretely presented component unit, accounts for the day-to-day business operations of the convention and tourism center. The execution of the daily operations of the City Center rests with the Authority. The City Council maintains fiscal control over the Authority through various aspects of New York State legislation. The Authority reports activities for which fees are charged to external customers for goods and services provided, and the City's fee pricing policies are established to recover costs of providing such services, including capital costs, such as depreciation or debt service. The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and the depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds are used to report resources that are held by the City in a trustee or agency capacity for others and cannot be used to support the City's own programs. The City maintains a custodial fund to account for assets that the City holds on behalf of others as their agent. The City maintains a Private Purpose Trust Fund to account for private donations to support a veterans' memorial in Congress Park.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures and other financing sources (uses) during the reporting year. Actual results could differ from those estimates.

f. Interfund Receivables/Payables

During the year, transactions often occur between the various funds. Transactions considered loans or advances to be repaid are recorded as current assets and liabilities in the fund financial statements as "due to/from other funds." In the government-wide financial statements, amounts due to and due from the same activities are eliminated. Any residual balances outstanding between the governmental activities and the discretely presented component unit are reported in the government-wide financial statements as "internal balances."

g. Receivables

All property and school tax receivables are shown net of an allowance for uncollectibles, if any. The property and school tax receivables allowance, when required, is equal to 6% of outstanding property and school taxes. Water and sewer rents not collected by year-end are re-levied on the subsequent year's tax roll.

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied on January 1 and are payable in four installments on the first of March, June, September, and December. The City bills and collects its own property taxes and also collects taxes for Saratoga County and the delinquent taxes for the School District. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Economic development and rehabilitation loans are shown net of an allowance for uncollectibles. Non-performing loans are evaluated for collectability on a periodic basis but not less than annually. The City pursues all legal options to help ensure the collection of outstanding balances. A reserve of approximately $109,400 for non-performing loans has been established in the Special Grants Fund by the City, based on currently known facts regarding the probability of collection.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term, discounted by the explicit or implicit interest rate in the agreement or the City's incremental borrowing rate at lease inception. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and related deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

h. Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or market (net realizable value). Inventory consists of expendable supplies held for consumption.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

i. Capital Assets, Net

Capital assets include land; buildings; improvements; machinery, equipment and vehicles; leased assets; subscription-based IT arrangements; and infrastructure (e.g., roads, sidewalks, and similar items). Capital assets are reported in the applicable governmental activities or discretely presented component unit columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial individual cost of more than $5,000 and an estimated useful life of six or more years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The City records subscription-based IT arrangements and leased assets at the commencement of the subscription-based IT arrangement or lease. The assets are initially measured at the amount of the related liability, less payments made at or before the subscription-based IT arrangement or lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any incentives received at or before the commencement date. Subsequently, the asset is amortized on a straight-line basis over the shorter of the subscription-based IT arrangement or lease term or the useful life of the asset.

All capital assets are depreciated using the straight-line method over the following estimated useful lives, with the exception of subscription-based IT arrangements and leases, which are amortized over the terms of the respective agreements (18 months to 10 years, and four to five years, respectively):

Assets	Years
Buildings	50
Improvements	20
Streets/roads	25
Sewer and water infrastructure	75
Other infrastructure	25-30
Machinery, equipment and vehicles	5-20

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. There was no impairment of long-lived assets as of December 31, 2024.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

j. Net Position

Net position is reported as restricted when constraints placed on net position use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or

2. Imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the City to assess, levy, or otherwise mandate payment of resources and includes legally enforceable requirements that those resources be used for that specific purpose stipulated in legislation. A legally enforceable requirement is one that an outside party (such as citizens, public interest groups, or the judiciary) can compel the government to honor. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed.

Net investment in capital assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings, excluding unexpended proceeds, that are attributable to the acquisition, construction, or improvement of those assets.

Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position described above.

k. Fund Balances

Fund balances for governmental funds are reported in classifications that compose a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

Nonspendable - Amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted - Amounts that have restraints that are either: (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution or ordinance by the government's highest level of decision-making authority.

Assigned - Amounts that are constrained only by the government's *intent* to be used for a specified purpose but are not restricted or committed in any manner.

Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed or assigned for those purposes, then a negative unassigned fund balance will occur.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

k. Fund Balances - Continued

The City's fund balance policy is set by the City Council, the highest level of decision-making authority. The City considers formal action for a committed fund balance to be the passing of a resolution by the City Council. The City Council has delegated the ability to assign fund balance to the Commissioner of Finance. The City considers funds to be expended in the order of restricted, committed, assigned, and unassigned. In accordance with the City's fund balance policy, unrestricted fund balance in the General Fund, the Water Fund, and the Sewer Fund may not be less than 10% or more than 25% of the total adopted budgeted expenditures of each fund. In the event that the unrestricted fund balance of each fund exceeds the maximum requirement, the excess may be utilized for any lawful purpose approved by the City Council.

l. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick pay benefits. All sick pay is accrued when incurred in the government-wide financial statements. Expenditures for these amounts are reported in governmental funds when paid to employees.

m. Long-Term Obligations

In the government-wide and discretely presented component unit financial statements, long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bonds payable are reported net of applicable bond premium or discount, if any. At the commencement date of a subscription-based IT arrangement or lease, the City records a subscription-based IT arrangement or lease liability at the present value of payments expected to be made during the related term.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The City's special assessment districts, SAD and WASAD, have outstanding bonded debt. SAD currently makes the annual debt payment on the Putnam Street parking deck project when due and has an arrangement with the City for reimbursement in the event that a taxpayer defaults. WASAD is repaying its 50% share of the betterment on the West Avenue improvement project debt on an extended payment plan. The City makes the scheduled debt payment annually, and WASAD reimburses the City every year at a lower amount than the actual debt. When the bond is fully paid off, WASAD will continue to reimburse the City for its remaining portion of the bond.

n. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets by the City that is applicable to a future period. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows of resources and deferred inflows of resources are reported in separate sections following assets and liabilities, respectively. The City also reports deferred inflows of resources in the governmental funds for receivable balances that do not meet the "availability" criterion for revenue recognition.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

n. Deferred Outflows of Resources and Deferred Inflows of Resources - Continued

The City has reported deferred outflows of resources for a deferred loss on refunding bonds in the government-wide statement of net position. These amounts result from the difference in the carrying value of the refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City has reported deferred inflows of resources for leases in the government-wide and General Fund financial statements, and for real property taxes received in advance of the lien date and other unavailable resources in the governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Pension benefits, postemployment benefits other than pensions (OPEB), and the related deferred outflows of resources and deferred inflows of resources are reported in the governmental activities and the discretely presented component unit.

o. Correction of Misstatement

The City under-reported accounts payable and related expenditures within the Capital Projects Fund during the year ended December 31, 2023. As a result of the correction of this misstatement, the City has restated fund balance of the Capital Projects Fund and the net position of the governmental activities as follows:

	As Originally Stated	Correction of Error	As Restated
Governmental Activities			
Net position (deficit)	$ (77,688,638)	$ (460,989)	$ (78,149,627)
Capital Projects Fund			
Fund balance	12,584,880	(460,989)	12,123,891

p. Subsequent Events

The City has evaluated subsequent events for potential recognition or disclosure through November 17, 2025, the date the financial statements were available to be issued.

Note 2 - Stewardship, Compliance, and Accountability

The City's budget adoption process is described in the City Charter. The Mayor and the Commissioners present their budget requirements for the following year to the Commissioner of Finance on or before October 1 each year for the General Fund, the Debt Service Fund, the Water Fund, the Sewer Fund, the special assessment districts, and the Authority. The Commissioner of Finance then prepares a proposed budget for the forthcoming year and submits it to the City Council on or before the third Monday in October. After receiving the proposed budget, the City Council establishes a date, time, and place for a public hearing, with a public notice duly advertised of such hearing. At a regular or special meeting held after the public hearing but not later than the 30th day of November, the City Council adopts, or amends and adopts, the budget for the ensuing year. Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations are usually necessary.

Budgets for the Special Grant Fund are adopted for each federal program as they occur and generally on a federal program year. Budgets for major capital projects are adopted on an as-needed basis and remain in effect for the life of the project. Generally, major capital projects are financed by bonds, capital grants, and/or other applicable financing sources. Current appropriations for capital expenditures are adopted according to the above-described timetable.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Note 3 - Detailed Notes on All Funds

a. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits, time deposits, and short-term investments with a maturity date within three months of the date acquired by the City and cash on hand.

The City's investment policies are governed by New York State statutes. In addition, the City has its own investment policy. In accordance with New York State statutes and the City's investment policy, City monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State of New York. The City is authorized to use demand deposits, time deposits, and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, and obligations of New York State or its localities. When applicable, the City values investment securities at fair value.

Collateral

New York State statutes require the City to collateralize its cash deposits in excess of the FDIC limit of $250,000. This collateral must be in the form of state and local government securities held in trust for, and pledged to secure, the City's deposits. The City's deposits were adequately insured or collateralized as of December 31, 2024.

Note 3 - Detailed Notes on All Funds - Continued

a. Cash, Cash Equivalents, and Investments - Continued

Cash, Cash Equivalents, and Investments, Restricted

The City had restricted cash and cash equivalents for governmental activities comprising the following:

Capital projects	$ 22,008,079
Capital improvements	7,942,283
Retirement reserve	769,356
Debt service	866,986
Insurance reserve	11,226
Community development	105,782
Other restrictions	2,539
Total restricted cash and cash equivalents	$ 31,706,251

Restricted cash and cash equivalents for the discretely presented component unit comprise City Center capital improvements and total $1,269,154 at December 31, 2024.

b. Receivables

Receivables at year-end, categorized by individual fund and in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities						
Receivables	General	Water Activities	Sewer Activities	Capital Projects	Other Governmental Funds	Component Unit	Total
City and county taxes	$ 1,106,163	$ -	$ -	$ -	$ -	$ -	$ 1,106,163
School taxes	672,012	-	-	-	-	-	672,012
Tax sales	2,737,264	-	-	-	-	-	2,737,264
Water rents	-	1,948,780	-	-	-	-	1,948,780
Sewer rents	-	-	2,505,295	-	-	-	2,505,295
Accounts	1,598,334	10	3	-	-	-	1,598,347
Rehabilitation loans	-	-	-	-	142,000	-	142,000
State and federal	2,432,097	-	-	157,285	-	-	2,589,382
Other governments	272,909	-	-	-	-	356,832	629,741
Total gross receivables	8,818,779	1,948,790	2,505,298	157,285	142,000	356,832	13,928,984
Allowance for uncollectible accounts	-	-	-	-	(109,394)	-	(109,394)
Total net receivables	$ 8,818,779	$ 1,948,790	$ 2,505,298	$ 157,285	$ 32,606	$ 356,832	$ 13,819,590

These receivables are shown in the statement of net position as follows:

Receivables, net of allowances	
Governmental activities	$ 13,462,758
Component unit	356,832
Total	$ 13,819,590

Note 3 - Detailed Notes on All Funds - Continued

c. Capital Assets

Capital asset activity was as follows:

Governmental Activities	Balance January 1, 2024	Additions	Retirement Reclassifications	Balance December 31, 2024
Capital assets not being depreciated				
Land	$ 5,913,188	$ -	$ -	$ 5,913,188
Work in progress	35,879,755	-	-	35,879,755
Total capital assets not being depreciated	41,792,943	-	-	41,792,943
Depreciable capital assets				
Buildings	42,910,505	-	-	42,910,505
Improvements	22,950,977	-	-	22,950,977
Machinery, equipment, and vehicles	21,289,306	-	-	21,289,306
Leases	179,235	-	(2,151)	177,084
Subscription-based IT arrangements	2,590,235	-	-	2,590,235
Infrastructure	79,763,075	-	-	79,763,075
Total depreciable capital assets	169,683,333	-	(2,151)	169,681,182
Less accumulated depreciation				
Buildings	11,161,248	593,988	-	11,755,236
Improvements	12,020,646	1,163,503	-	13,184,149
Machinery, equipment, and vehicles	17,893,437	1,051,535	-	18,944,972
Leases	69,743	34,201	-	103,944
Subscription-based IT arrangements	349,267	422,674	-	771,941
Infrastructure	50,856,585	1,253,478	-	52,110,063
Total accumulated depreciation	92,350,926	4,519,379	-	96,870,305
Net depreciable capital assets	77,332,407	(4,519,379)	(2,151)	72,810,877
Total net capital assets governmental activities	$ 119,125,350	$ (4,519,379)	$ (2,151)	$ 114,603,820

Component Unit	Balance January 1, 2024	Additions	Retirement	Balance December 31, 2024
Depreciable capital assets				
Machinery, equipment, and vehicles	$ 157,169	$ -	$ -	$ 157,169
Leases	17,572	-	-	17,572
Buildings and improvements	31,979,787	-	-	31,979,787
	32,154,528	-	-	32,154,528
Less accumulated depreciation				
Machinery, equipment, and vehicles	115,011	-	-	115,011
Leases	5,375	3,514	-	8,889
Buildings and improvements	6,922,812	588,249	-	7,511,061
Total accumulated depreciation	7,043,198	591,763	-	7,634,961
Total net capital assets City Center	$ 25,111,330	$ (591,763)	$ -	$ 24,519,567

Note 3 - Detailed Notes on All Funds - Continued

c. Capital Assets - Continued

Depreciation expense was charged to the City's governmental activities as follows:

General governmental support	$ 525,591
Public safety	405,447
Transportation	2,000,354
Culture and recreation	717,466
Home and community service	870,521
Total depreciation expense for governmental activities	$ 4,519,379

Depreciation expense for the discretely presented component unit totaled $591,763 for the year ended December 31, 2024.

d. Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Amounts due to/from other funds in the fund financial statements were as follows:

	Due to Other Funds						
Due From Other Funds	General	Water	Sewer	Capital Projects	Other Governmental Funds	Component Unit	Totals
General Fund	$ -	$ -	$ 702,969	$ 5,908,504	$ -	$ 12,706	$ 6,624,179
Capital Projects Fund	153	2,322,329	1,427,419	-	-	-	3,749,901
Sewer Fund	-	-	-	-	1,575	-	1,575
Water Fund	-	-	74,420	-	863,287	-	937,707
Custodial Fund	107,671	-	-	-	-	-	107,671
	$ 107,824	$ 2,322,329	$ 2,204,808	$ 5,908,504	$ 864,862	$ 12,706	$ 11,421,033

Interfund transfers in the governmental fund financial statements between governmental funds were as follows:

	Transfers In					
Transfers Out	General	Capital Projects	Water	Other Governmental Funds	Component Unit	Totals
General Fund	$ -	$ -	$ -	$ 500,000	$ 123,235	$ 623,235
Capital Projects Fund	-	-	24,383	249,563	-	273,946
Other governmental funds	40,656	623	-	49,503	-	90,782
	$ 40,656	$ 623	$ 24,383	$ 799,066	$ 123,235	$ 987,963

In the government-wide statement of net position, interfund receivables and payables between governmental activities were eliminated, leaving $12,706 due to the governmental activities from the discretely presented component unit. In the government-wide statement of activities, interfund transfers between governmental activities were eliminated, leaving $123,235 in transfers from the governmental activities to the discretely presented component unit.

Note 3 - Detailed Notes on All Funds - Continued

e. Long-Term Liabilities

The changes in the City's long-term liabilities were as follows:

	Balance January 1, 2024	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2024	Due Within One Year
Governmental activities					
Bonds payable	$ 94,111,664	$ 11,756,515	$ 4,456,664	$101,411,515	$ 4,496,515
Bond premiums	2,350,872	159,181	173,189	2,336,864	166,876
	96,462,536	11,915,696	4,629,853	103,748,379	4,663,391
Other noncurrent liabilities					
Landfill liability post-closure maintenance	2,441,880	-	-	2,441,880	-
Compensated absences	4,726,809	553,799	472,681	4,807,927	480,793
Lease liability	91,180	-	32,488	58,692	31,499
Subscription-based IT arrangements	1,963,579	-	313,451	1,650,128	299,808
Net pension liability	28,256,188	-	3,510,225	24,745,963	-
OPEB	114,636,788	22,245,616	12,609,811	124,272,593	3,399,685
	152,116,424	22,799,415	16,938,656	157,977,183	4,211,785
Governmental activities long-term liabilities	$248,578,960	$ 34,715,111	$ 21,568,509	$261,725,562	$ 8,875,176

	Balance January 1, 2024	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2024	Due Within One Year
Component unit					
Lease liability	$ 12,577	$ -	$ 3,378	$ 9,199	$ 3,622
Net pension liability	590,260	-	144,898	445,362	-
Construction loans	10,413,483	-	308,473	10,105,010	320,851
OPEB	93,728	10,036	17,065	86,699	4,537
	11,110,048	10,036	473,814	10,646,270	329,010
Component unit long-term liabilities	$ 11,110,048	$ 10,036	$ 473,814	$ 10,646,270	$ 329,010

f. Indebtedness

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

In June 2024, the City issued $11,756,515 in Public Improvement Serial Bonds to finance various projects throughout the City. The Public Improvement Serial Bonds begin repayment in June 2025 and are repaid annually through June 2052, at a fixed interest rate of 4.00%.

Note 3 - Detailed Notes on All Funds - Continued

f. Indebtedness - Continued

General Obligation Bonds - Continued

General obligation bonds are direct obligations of the City and are pledged by the full faith and credit of the City. Generally, the City's general obligation bonds are tax-exempt for federal and New York State income tax purposes. These bonds are generally issued as 20-year to 30-year serial bonds with equal amounts of principal and interest maturing each year. General obligation bonds currently outstanding for the City's governmental activities are as follows:

Public Improvement Bonds	Issue Date	Maturity	Rate	December 31, 2024
Serial bond, general obligation	06/14	06/34	2.810%	$ 2,935,000
Refunding bond	12/14	02/35	2.878%	9,445,000
Serial bond, general obligation	06/15	06/40	3.310%	4,310,000
Serial bond, general obligation	06/16	06/33	2.095%	1,755,000
Serial bond, general obligation	06/17	06/40	2.489%	6,015,000
Refunding bond	07/18	07/39	3.802%	4,800,000
Serial bond, general obligation	06/18	06/42	3.097%	5,610,000
Serial bond, general obligation	06/19	06/40	2.423%	7,985,000
Serial bond, general obligation	06/20	06/42	2.050%	6,375,000
Refunding bond	08/20	04/39	3.856%	5,250,000
Serial bond, general obligation	06/21	06/51	2.091%	5,770,000
Refunding bond	06/21	06/33	2.607%	2,135,000
Serial bond, general obligation	06/22	06/49	3.964%	16,750,000
Serial bond, general obligation	06/23	06/46	4.000%	10,520,000
Serial bond, general obligation	06/24	06/52	4.000%	11,756,515
				$ 101,411,515

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Principal	Interest	Total
Year ending December 31,			
2025	$ 4,496,515	$ 3,557,784	$ 8,054,299
2026	4,865,000	3,173,499	8,038,499
2027	5,030,000	3,006,043	8,036,043
2028	5,215,000	2,836,149	8,051,149
2029	5,395,000	2,662,243	8,057,243
2030 - 2034	26,645,000	10,730,009	37,375,009
2035 - 2039	22,875,000	6,751,490	29,626,490
2040 - 2044	14,230,000	3,506,075	17,736,075
2045 - 2049	10,220,000	1,343,150	11,563,150
2050 - 2052	2,440,000	127,444	2,567,444
	$ 101,411,515	$ 37,693,886	$ 139,105,401

Note 3 - Detailed Notes on All Funds - Continued

f. Indebtedness - Continued

General Obligation Bonds - Continued

The City's general obligation bonds were issued at a premium, which is reported as a component of bonds payable in the government-wide statement of net position. Premiums on general obligation bonds are being amortized using the effective interest method over the life of the bonds. Bond premium amortization is reported as a component of interest expense.

Other liabilities include the following:

	January 1, 2024	Additions	Deletions	December 31, 2024
Governmental activities				
Sick time	$ 3,529,172	$ 332,182	$ 352,917	$ 3,508,437
Compensatory time	1,197,637	221,617	119,764	1,299,490
Total	$ 4,726,809	$ 553,799	$ 472,681	$ 4,807,927

Construction Loans

On January 10, 2017, the Authority entered into an agreement with The Adirondack Trust Company for a construction loan not to exceed $7,500,000 to finance a new parking facility at High Rock and Maple Avenues.

On July 30, 2019, the Authority modified its existing construction loan with The Adirondack Trust Company to include an additional loan of $2,500,000.

On July 30, 2019, the Authority entered into a second construction loan with The Adirondack Trust Company not to exceed $1,000,000.

The $7,500,000 construction loan bears interest at a rate of 3.73% until April 15, 2027. The $2,500,000 loan bears interest at a rate of 3.16% until April 15, 2027. Subsequent to April 15, 2027, the interest rate for the $7,500,000 and $2,500,000 construction loans will reset for five years and at each five-year anniversary thereafter, based on *The Wall Street Journal* prime lending rate plus 0.50%, divided by a conversion factor. The interest rate is subject to a floor of 2.81%. Collateral for the $7,500,000 and $2,500,000 construction loans includes a first leasehold mortgage and assignment of rents on the parking facility developed at High Rock and Maple Avenues.

The $1,000,000 construction loan requires a pledge of deposit with The Adirondack Trust Company of $300,000. The collateral will be released upon the Authority achieving a debt service coverage ratio of 1.10 for three consecutive years, as stipulated within the construction loan agreement. The $1,000,000 construction loan bears interest at a blended rate of 4.25% of the noncash-collateralized portion of the construction loan and 2.25% for the cash-collateralized portion of the construction loan. Upon the shorter of the release of the $300,000 collateral or five years, the interest rate will revert to a fixed 4.25% for a period of five years. The interest rate will then reset at each five-year anniversary thereafter, based on *The Wall Street Journal* prime lending rate plus 0.50%. The interest rate is subject to a floor of 4.50%. Collateral for the $1,000,000 loan includes a second leasehold mortgage and assignment of rents on the parking facility developed at High Rock and Maple Avenues.

Note 3 - Detailed Notes on All Funds - Continued

f. Indebtedness - Continued

Construction Loans - Continued

Both construction loans require the City Center to maintain an account at The Adirondack Trust Company into which 100% of the City's room occupancy tax receipts will be deposited quarterly. The City Center will have access to the remaining funds after each quarterly principal and interest payment is made in full. In addition, the City Center is required to pledge a debt service reserve account at The Adirondack Trust Company in the amount of $311,500. Both construction loans require the City to provide The Adirondack Trust Company with certain annual financial reporting requirements and require the City to maintain a depository relationship with The Adirondack Trust Company.

The parking facility was opened to customers and placed into service in November 2020.

At December 31, 2021, the City had drawn the entire amounts on each of the $7,500,000, $2,500,000 and $1,000,000 loans.

Payments on the loans commenced on January 15, 2022, with payments required quarterly on January 15, April 15, July 15 and October 15.

Estimated annual debt service requirements to maturity at the current interest rates on both construction loans are as follows:

	Principal	Interest	Total
Year ending December 31,			
2025	$ 320,849	$ 366,392	$ 687,241
2026	332,643	354,598	687,241
2027	344,871	342,370	687,241
2028	356,638	330,603	687,241
2029	370,663	316,578	687,241
2030 - 2034	2,067,467	1,368,748	3,436,215
2035 - 2039	2,478,036	958,179	3,436,215
2040 - 2044	2,970,560	465,655	3,436,215
2045 - 2046	863,283	77,351	940,634
	$ 10,105,010	$ 4,580,474	$ 14,685,484

Landfill Liability Post-Closure Maintenance

In 1996, the City closed its only landfill. In 2015, The New York State Department of Environmental Conservation notified the City that a 0.34-acre parcel of land adjacent to the landfill violated New York State waste disposal laws. The land was previously owned by the City, prior to a transfer of ownership in 2002.

At December 31, 2024, the costs associated with remediating the property are estimated to be $2,441,880. Actual costs could differ from those estimates.

Note 3 - Detailed Notes on All Funds - Continued

f. Indebtedness - Continued

Landfill Liability Post-Closure Maintenance - Continued

The City continues to negotiate with the current owner of the property over payment of the costs associated with remediating the property.

g. Pension Plans

Plan Description

The City participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), which are collectively referred to as the New York State and Local Retirement System (System). These are cost-sharing, multiple-employer retirement systems. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the Trustee of the Fund and is the administrative head of the System. The Comptroller of the State of New York is an elected official determined in a direct statewide election and serves a four-year term.

System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a New York State statute.

The System is included in the State of New York's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The City also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance.

Plan Benefits

The System provides retirement benefits as well as death and disability benefits. Retirement benefits are established by the NYSRSSL and are dependent upon the point in time at which the employees last joined the System. The NYSRSSL has established distinct classes of membership. The System uses a tier concept within ERS and PFRS to distinguish these groups, as follows:

ERS

- Tier 1 - Those individuals who last became members before July 1, 1973.
- Tier 2 - Those individuals who last became members on or after July 1, 1973 but before July 27, 1976.
- Tier 3 - Generally, those individuals who are New York State corrections officers who last became members on or after July 27, 1976 but before January 1, 2010, and all others who last became members on or after July 27, 1976 but before September 1, 1983.

Note 3 - Detailed Notes on All Funds - Continued

g. Pension Plans - Continued

Plan Benefits - Continued

ERS - Continued

- Tier 4 - Generally, except for corrections officers, those individuals who last became members on or after September 1, 1983 but before January 1, 2010.
- Tier 5 - Those individuals who last became members on or after January 1, 2010 but before April 1, 2012.
- Tier 6 - Those individuals who first became members on or after April 1, 2012.

PFRS

- Tier 1 - Those individuals who last became members before July 1, 1973.
- Tier 2 - Those individuals who last became members on or after July 1, 1973 but before July 1, 2009.
- Tier 3 - Those individuals who last became members on or after July 1, 2009 but before January 9, 2010.
- Tier 4 - Not applicable.
- Tier 5 - Those individuals who last became members on or after January 9, 2010 but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.
- Tier 6 - Those individuals who first became members on or after April 1, 2012.

Generally, members of ERS and PFRS may retire at age 55; however, members of Tiers 2, 3, and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. A member with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. Members who joined the System prior to January 1, 2010 generally need five years of service to be 100% vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) need 10 years of service credit to be 100% vested. Subsequent to March 31, 2022, legislation was passed reducing the required years of service credit for full vesting to five years.

Note 3 - Detailed Notes on All Funds - Continued

g. Pension Plans - Continued

Plan Benefits - Continued

Typically, the benefit for members in all tiers within ERS and PFRS is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a Tier 1 or Tier 2 member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. If a Tier 3, Tier 4, or Tier 5 member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a Tier 3, Tier 4, or Tier 5 member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Final average salary for Tiers 1 through 5 is the average of the wages earned in the three highest consecutive years of employment. Each year used in the final average salary calculation is limited to no more than 20% of the previous year (Tier 1) or no more than 20% of the average of the previous two years (Tier 2). For Tier 3, Tier 4, and Tier 5 members, each year used in the final average salary calculation is limited to no more than 10% of the average of the previous two years. The benefit for Tier 6 members who retire with 20 years of service is 1.75% of final average salary for each year of service. If a Tier 6 member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied to each year of service over 20 years. The final average salary for a Tier 6 member is computed as the average of the wages earned in the five highest consecutive years. Each year of final average salary is limited to no more than 10% of the average of the previous four years.

An automatic postemployment benefit is provided annually to pensioners who have reached age 62 and been retired for five years; pensioners who have reached age 55 and been retired for 10 years; all disability pensioners, regardless of age, who have been retired for five years; ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and spouses of deceased retirees receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half of the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor Statistics but cannot be less than 1% or greater than 3%.

Funding Policy

Employee contribution requirements depend upon the point in time at which an employee last joined the System. Most Tier 1 and Tier 2 members of ERS and most members of PFRS are not required to make employee contributions. Employees in Tier 3, Tier 4, and Tier 5 are required to contribute 3% of their salary; however, as a result of Article 19 of the NYSRSSL, eligible Tier 3 and Tier 4 employees who have 10 or more years of membership or credited service within the System are not required to contribute. The Tier 6 contribution rate varies from 3% to 6% depending on salary. Tier 5 and Tier 6 members are required to contribute for all years of service. Members cannot be required to begin contributing or make increased contributions beyond what was required when their memberships began.

Note 3 - Detailed Notes on All Funds - Continued

g. Pension Plans - Continued

Funding Policy - Continued

Participating employers are required under the NYSRSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller of the State of New York. The average contribution rates for ERS and PFRS were approximately 13.1% and 27.8% of covered payroll, respectively, for the fiscal year ended March 31, 2024. Contributions made to the System for the current year and the two preceding years were as follows:

	ERS	PFRS	Total
Year ended December 31,			
2024	$ 2,019,601	$ 4,423,440	$ 6,443,041
2023	1,678,002	3,550,350	5,228,352
2022	1,339,904	3,220,954	4,560,858

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current ERS contribution for the City was charged to the governmental activities and discretely presented component unit as indicated below. The current PFRS contribution was charged to the General Fund.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the City reported a liability in the statement of net position related to ERS of $6,012,511 and $445,362 in the governmental activities and discretely presented component unit, respectively. At December 31, 2024, the City reported a liability related to PFRS of $18,733,452 in the governmental activities statement of net position. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2024, the City's proportion was 0.0438594% in ERS and 0.3949851% in PFRS.

Note 3 - Detailed Notes on All Funds - Continued

g. Pension Plans - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended December 31, 2024, the City recognized pension expense of $8,719,610 in the governmental activities and $189,200 in the discretely presented component unit. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
ERS		
Differences between expected and actual experience	$ 1,936,551	$ 163,939
Changes in assumptions	2,273,108	-
Net differences between projected and actual investment earnings on pension plan investments	-	2,936,967
Changes in proportion and differences between employer contributions and proportionate share of contributions	165,448	184,374
City contributions subsequent to the measurement date	1,900,647	-
Total	$ 6,275,754	$ 3,285,280
PFRS		
Differences between expected and actual experience	$ 5,771,526	$ -
Changes in assumptions	7,066,274	-
Net differences between projected and actual investment earnings on pension plan investments	-	5,085,228
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,035,852	2,088,455
City contributions subsequent to the measurement date	4,423,440	-
Total	$ 18,297,092	$ 7,173,683

Note 3 - Detailed Notes on All Funds - Continued

g. Pension Plans - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

	Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources
ERS		
Differences between expected and actual experience	$ 143,451	$ 12,144
Changes in assumptions	168,381	-
Net differences between projected and actual investment earnings on pension plan investments	-	217,557
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,256	13,658
City contributions subsequent to the measurement date	118,954	-
Total	$ 443,042	$ 243,359

The amount of deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a component of the net pension liability in the year ending December 31, 2025. The remaining cumulative net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS		
	Governmental Activities	Component Unit	Total
Year ending December 31,			
2025	$ (1,154,669)	$ (85,529)	$ (1,240,198)
2026	1,102,971	81,700	1,184,671
2027	1,766,511	130,850	1,897,361
2028	(624,986)	(46,292)	(671,278)
Total	$ 1,089,827	$ 80,729	$ 1,170,556

Note 3 - Detailed Notes on All Funds - Continued

g. Pension Plans - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

	PFRS Governmental Activities
Year ending December 31,	
2025	$ (1,701,466)
2026	5,305,684
2027	2,857,668
2028	(563,312)
2029	801,395
Total	$ 6,699,969

Actuarial Assumptions

Actuarial cost method	Entry age normal
Inflation rate	2.9%
Salary scale	
ERS	4.4%, indexed by service
PFRS	6.2%, indexed by service
Investment rate of return, including inflation	5.9% compounded annually, net of expenses
Decrement	Based on FY 2016-2020 experience
Cost-of-living adjustments	1.5% annually
Mortality improvement	Society of Actuaries' Scale MP-2021

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and adding expected inflation.

Note 3 - Detailed Notes on All Funds - Continued

g. Pension Plans - Continued

Actuarial Assumptions - Continued

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	4.00%
International equity	15.00%	6.65%
Private equity	10.00%	7.25%
Real estate	9.00%	4.60%
Opportunistic/absolute return strategy	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	3.00%	5.79%
Fixed income	23.00%	1.50%
Cash	1.00%	0.25%
	100.00%	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 3 - Detailed Notes on All Funds - Continued

g. Pension Plans - Continued

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to the Discount Rate Assumption

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate of 5.9%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
ERS			
City's proportionate share of the net pension liability (asset)			
Component unit	$ 1,400,263	$ 445,362	$ (352,179)
Governmental activities	18,903,951	6,012,511	(4,754,514)
	$ 20,304,214	$ 6,457,873	$ (5,106,693)
PFRS			
City's proportionate share of the net pension liability (asset)			
Governmental activities	$ 43,784,470	$ 18,733,452	$ (1,962,351)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2024 were as follows (dollars in thousands):

	ERS	PFRS	Total
Employers' total pension liability	$ 240,696,851	$ 46,137,717	$ 286,834,568
Plan net position	(225,972,801)	(41,394,895)	(267,367,696)
Employers' net pension liability	$ 14,724,050	$ 4,742,822	$ 19,466,872
Ratio of fiduciary net position to total pension liability	93.88%	89.72%	93.21%

Note 4 - Postemployment Benefits Other Than Pensions

a. OPEB Plan Benefits

The City administers a single-employer defined benefit healthcare plan (OPEB plan). The OPEB plan provides lifetime healthcare insurance and prescription drug coverage for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the City and the seven unions representing City employees and are renegotiated at the end of each of the bargaining periods. The OPEB plan does not issue a publicly available financial report. The City offers four community-rated Health Maintenance Organizations and one experience-rated Traditional Preferred Provider Organization. Upon turning 65, a retiree may choose to participate in two Medicare Advantage plans.

The City also offers life insurance to active and retired firefighters and police officers who retired prior to January 1, 2007. The plan pays a beneficiary upon death of the retiree.

A summary of participants in the OPEB plan as of the January 1, 2024 actuarial measurement date is as follows:

Retirees and survivors	268
Actives	365
Total	633

Contribution requirements are negotiated between the City and union representatives. The City contributes a percentage of the cost of current-year premiums for eligible retired plan members and their spouses. The City is not required to fund the OPEB plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the year ended December 31, 2024, the City paid $3,399,685 and $4,537 on behalf of OPEB plan members within the governmental activities and discretely presented component unit, respectively. The OPEB plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the benefit plan. The City pays the full premium for the life insurance coverage.

Note 4 - Postemployment Benefits Other Than Pensions - Continued

b. OPEB Plan Liability, OPEB Plan Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB Plan

At December 31, 2024, the City reported a liability of $124,272,593 and $86,699 for its OPEB plan liability in the governmental activities and the discretely presented component unit, respectively. The OPEB plan liability was measured as of January 1, 2024 by an actuarial valuation as of that date. For the year ended December 31, 2024, the City recognized OPEB plan expense of $22,245,616 and $10,036 in the governmental activities and discretely presented component unit, respectively. A summary of changes in the City's OPEB plan liability is as follows:

	Governmental Activities	Component Unit	Total
January 1, 2024	$ 114,636,788	$ 93,728	$ 114,730,516
Changes for the year			
Service cost	4,531,491	-	4,531,491
Differences between expected and actual experience	(9,210,126)	(12,528)	(9,222,654)
Interest	4,369,824	3,403	4,373,227
Changes in assumptions and other inputs	13,344,301	6,633	13,350,934
Benefit payments	(3,399,685)	(4,537)	(3,404,222)
Net changes	9,635,805	(7,029)	9,628,776
December 31, 2024	$ 124,272,593	$ 86,699	$ 124,359,292

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 842,651	$ 16,442,935
Changes in assumptions or other inputs	24,054,729	29,053,820
City contributions subsequent to the measurement date	3,748,830	-
Total	$ 28,646,210	$ 45,496,755

Note 4 - Postemployment Benefits Other Than Pensions - Continued

b. OPEB Plan Liability, OPEB Plan Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB Plan - Continued

	Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 588	$ 11,471
Changes in assumptions or other inputs	9,071	11,035
City contributions subsequent to the measurement date	3,962	-
Total	$ 13,621	$ 22,506

The amount of deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the OPEB plan liability in the year ending December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB plan expense as follows:

	Governmental Activities	Component Unit
Year ending December 31,		
2025	$ (3,414,819)	$ (2,127)
2026	(2,258,411)	(1,407)
2027	(5,352,482)	(3,334)
2028	(5,150,023)	(3,208)
2029	(3,822,382)	(2,381)
2030 and thereafter	(601,258)	(390)
Total	$ (20,599,375)	$ (12,847)

Note 4 - Postemployment Benefits Other Than Pensions - Continued

c. Actuarial Assumptions

The OPEB plan liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method	Entry age normal - level percent of pay
Measurement date	January 1, 2024
Discount rate	3.26%, Bond Buyer Weekly 20-Bond GO Index
Salary scale	3.00%
Rate of inflation	2.70%
Mortality	RPH-2021 Mortality Table
Turnover	New York State and Local Retirement System experience, as prepared by the Department of Civil Service's actuarial consultant in the report titled *Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (August 2020)*
Retirement incidence	New York State and Local Retirement System experience, as prepared by the Department of Civil Service's actuarial consultant in the report titled *Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (August 2020)*
Marriage rate	70% of retirees assumed to be married at the time of retirement, with the male spouse assumed to be approximately three years older than the female

Health Care Cost Trend Rates	To Fiscal Year Ending	Trend Rate
	2025	6.80%
	2026	6.50%
	2027	6.20%
	2028	5.60%
	2029	5.50%
	2034	4.97%
	2039	4.75%
	2044	4.71%
	2054	4.64%
	2064	4.59%
	2074	4.22%
	2084	4.14%
	2094	4.14%

Note 4 - Postemployment Benefits Other Than Pensions - Continued

d. Sensitivity of the Employer's Share of the OPEB Plan Liability to Changes in the Health Care Cost Trend Rate and Discount Rate

The following presents the OPEB plan liability as of December 31, 2024, calculated using the current health care cost trend rate, as well as what the OPEB plan liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
OPEB plan liability			
Component unit	$ 72,120	$ 86,699	$ 106,051
Governmental activities	103,375,121	124,272,593	152,011,403
	$ 103,447,241	$ 124,359,292	$ 152,117,454

The following presents the OPEB plan liability as of December 31, 2024, calculated using the current discount rate of 3.26%, as well as what the OPEB plan liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (2.26%)	Current Rate (3.26%)	1% Increase (4.26%)
OPEB plan liability			
Component unit	$ 103,185	$ 86,699	$ 73,947
Governmental activities	147,799,650	124,272,593	105,920,681
	$ 147,902,835	$ 124,359,292	$ 105,994,628

Note 5 - Leases

a. Lessee Agreements

The City has certain lease agreements for machinery and equipment reported within the governmental activities and discretely presented component unit. A summary of future minimum principal and interest payments is as follows:

	Governmental Activities		Component Unit	
	Principal	Interest	Principal	Interest
Year ending December 31,				
2025	$ 31,499	$ 1,048	$ 3,622	$ 529
2026	26,153	508	3,884	267
2027	1,040	4	1,693	31
Total	$ 58,692	$ 1,560	$ 9,199	$ 827

b. Lessor Agreements

The City has a lease agreement for certain property within the General Fund and the governmental activities. A summary of future minimum rental receivables and related interest under the lease agreement is as follows:

	Principal	Interest
Year ending December 31,		
2025	$ 501,232	$ 57,220
2026	508,151	50,846
2027	516,554	44,385
2028	539,038	37,721
2029	546,463	30,870
2030 - 2033	1,984,901	54,931
Total	$ 4,596,339	$ 275,973

Note 6 - Subscription-Based IT Arrangements

The City has certain subscription-based IT agreements for various IT software agreements reported within the governmental activities. A summary of future minimum principal and interest payments is as follows:

	Governmental Activities	
	Principal	Interest
Year ending December 31,		
2025	$ 299,808	$ 46,054
2026	214,932	37,665
2027	213,101	31,764
2028	219,263	25,802
2029	225,597	19,668
2030 - 2032	477,427	20,402
Total	$ 1,650,128	$ 181,355

Note 7 - Tax Abatements

The City has six real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York (PHFL) for the purpose of creating or preserving affordable housing.

Generally, these agreements provide for a 100% abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on a percentage of shelter rents and continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL.

Copies of the agreements may be obtained from the Commissioner of Finance, 474 Broadway, Saratoga Springs, New York 12866. Information relevant to disclosure of these agreements for the year ended December 31, 2024 is as follows:

Start Date	Agreement	Taxable Assessed Value	Tax Rate	Tax Value	PILOT Received	Taxes Abated
5/21/1951	Saratoga Housing Authority	$ 22,104,300	6.62	$ 146,264	$ 29,077	$ 117,187
6/17/2003	11 Kirby Road - Kirby Village	2,761,800	6.55	18,103	4,811	13,292
8/17/2004	125 West Avenue - Westview Apartment	8,193,000	6.55	53,703	17,358	36,345
7/29/2010	57 Ballston Avenue - Raymond Watkins	3,000,000	6.55	19,664	13,867	5,797
5/17/2016	9 Kirby Road - Kirby Village Apartments	3,223,400	6.55	21,128	4,454	16,674
6/18/2018	Intrada Apartments	12,090,000	6.55	79,246	19,867	59,379
10/1/2019	Promenade Apartments	2,000,000	6.62	13,234	4,566	8,668
1/25/2024	Saratoga Housing Authority	9,327,600	6.55	61,140	29,077	32,063
		$ 62,700,100		$ 412,482	$ 123,077	$ 289,405

Note 8 - Commitments and Contingencies

a. Environmental Risks

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the City expect such compliance to have, any material effect upon the capital expenditures or financial condition of the City. The City believes that its current practices and procedures for the control and disposition of regulated waste comply with applicable federal, state, and local requirements.

b. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The General Fund, the Water Fund, the Sewer Fund, and the Authority pay insurance premiums.

The City's Safety Committee reviews potential areas of risk and develops safety policies. The Safety Committee reviews, among other things, workers' compensation trends to determine and prevent causation of similar claims in the future. The City belongs to the Saratoga County Workers' Compensation pool, and cases are reviewed and paid by Saratoga County. The City's 2024 annual contribution to the workers' compensation pool was $566,917.

c. Contingent Liabilities

The City is involved in certain suits and claims arising from a variety of sources. Provision has been made in accounts payable and other current liabilities in the government-wide statement of net position for claims the City has determined to be estimable and probable of settlement. It is the opinion of counsel and management that any remaining liabilities that may arise from such actions would be covered by the City's insurance carrier or would not result in losses that would materially affect the City's financial position or results of operations.

d. Labor Relations

The City has employees covered by seven bargaining units. The contracts of each bargaining unit are currently being negotiated or expire during the year ending December 31, 2025.

Note 9 - Subsequent Events

In June 2025, the City issued $3,740,250 in Public Improvement Serial Bonds to finance various projects throughout the City. The Public Improvement Serial Bonds will be repaid annually starting in June 2026 through June 2040, at a rate of 4.00%.

Note 10 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024 and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements.* The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets.* This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital asset note disclosures required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.* It also establishes disclosure requirements for capital assets held for sale, including disclosures relating to debt for which the capital assets held for sale are pledged as collateral. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not estimated the extent of the potential impact of these statements on the City's financial statements.

City of Saratoga Springs, New York

Required Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	Year Ended December 31, 2024			
	Budgeted Amounts		Actual Amounts	Variance With Revised - Positive (Negative)
	Adopted	Revised		
REVENUES				
Real property taxes and related tax items	$ 21,532,839	$ 23,528,023	$ 18,108,023	$ (5,420,000)
Non-property taxes	22,600,000	22,726,753	22,104,248	(622,505)
Departmental income	5,896,946	5,176,715	5,358,301	181,586
Intergovernmental charges	779,278	792,625	756,249	(36,376)
Use of money and property	705,359	931,019	1,258,335	327,316
Licenses and permits	821,819	821,819	907,396	85,577
Fines and forfeitures	585,000	687,060	29,180	(657,880)
Sale of property and compensation for loss	1,001,693	1,032,073	1,113,288	81,215
Miscellaneous	2,537,104	2,830,677	2,742,537	(88,140)
State aid	3,726,901	5,008,874	5,807,389	798,515
Federal aid	1,113,000	1,165,511	1,524,724	359,213
Total revenues	61,299,939	64,701,149	59,709,670	(4,991,479)
EXPENDITURES				
General government support	9,524,190	10,631,343	9,594,243	1,037,100
Public safety	23,727,967	26,374,317	24,519,727	1,854,590
Health	20,000	20,799	207,603	(186,804)
Transportation	4,237,755	10,270,119	5,952,067	4,318,052
Economic opportunity and development	568,373	823,071	686,803	136,268
Culture and recreation	3,126,557	3,352,374	3,090,539	261,835
Home and community service	1,773,421	1,674,947	1,324,242	350,705
Employee benefits	17,760,676	17,757,719	15,664,715	2,093,004
Debt service	400,000	7,274	402,582	(395,308)
Total expenditures	61,138,939	70,911,963	61,442,521	9,469,442
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	-	-	40,656	40,656
Interfund transfers out	(161,000)	(661,000)	(623,235)	37,765
Total other financing sources (uses)	(161,000)	(661,000)	(582,579)	78,421
Net change in fund balance (actual) and appropriated fund balance (budget)	**-**	**(6,871,814)**	**(2,315,430)**	**$ 4,556,384**
FUND BALANCE, *beginning of year*	27,549,418	27,549,418	27,549,418	
FUND BALANCE, *end of year*	**$ 27,549,418**	**$ 20,677,604**	**$ 25,233,988**	

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund

	Year Ended December 31, 2024			
	Budgeted Amounts		Actual Amounts	Variance With Revised - Positive (Negative)
	Adopted	Revised		
REVENUES				
Water charges	$ 4,465,000	$ 3,654,604	$ 4,816,524	$ 1,161,920
Real property taxes and related tax items	469,825	1,280,221	-	(1,280,221)
Use of money and property	-	-	109	109
Sale of property and compensation for loss	73,786	75,118	71,349	(3,769)
Miscellaneous	1,250	1,250	1,175	(75)
Total revenues	5,009,861	5,011,193	4,889,157	(122,036)
EXPENDITURES				
Home and community service	2,902,187	2,933,397	2,790,578	142,819
Employee benefits	830,468	831,800	614,103	217,697
Debt service	1,277,206	1,334,855	1,292,470	42,385
Total expenditures	5,009,861	5,100,052	4,697,151	402,901
OTHER FINANCING SOURCES				
Interfund transfers in	-	24,383	24,383	-
Net change in fund balance (actual) and appropriated fund balance (budget)	**-**	**(64,476)**	**216,389**	**$ 280,865**
FUND BALANCE, ***beginning of year***	5,856,128	5,856,128	5,856,128	
FUND BALANCE, ***end of year***	**$ 5,856,128**	**$ 5,791,652**	**$ 6,072,517**	

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Fund

	Year Ended December 31, 2024			
	Budgeted Amounts		Actual Amounts	Variance With Revised - Positive (Negative)
	Adopted	Revised		
REVENUES				
Sewer charges	$ 6,061,000	$ 5,931,327	$ 6,050,035	$ 118,708
Real property taxes and related tax items	111,501	241,174	-	(241,174)
Use of money and property	2,500	2,500	47,917	45,417
Sale of property and compensation for loss	25,568	25,568	27,328	1,760
Miscellaneous	175	175	-	(175)
Total revenues	6,200,744	6,200,744	6,125,280	(75,464)
EXPENDITURES				
Home and community service	5,424,922	5,402,454	5,103,125	299,329
Employee benefits	534,648	530,447	344,830	185,617
Debt service	241,174	274,738	274,725	13
Total expenditures	6,200,744	6,207,639	5,722,680	484,959
Net change in fund balance (actual) and appropriated fund balance (budget)	**-**	**(6,895)**	**402,600**	**$ 409,495**
FUND BALANCE, ***beginning of year***	90,119	90,119	90,119	
FUND BALANCE, ***end of year***	**$ 90,119**	**$ 83,224**	**$ 492,719**	

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

	2024	2023	2022	2021	2020	2019	2018
GOVERNMENTAL ACTIVITIES							
Beginning of year	$ 114,636,788	$ 139,691,719	$ 142,354,622	$ 136,455,390	$ 111,805,930	$ 118,745,224	$ 114,262,135
Changes for the year							
Service cost	4,531,491	7,235,426	6,852,127	6,387,932	4,072,547	4,992,628	4,477,096
Interest	4,369,824	2,992,924	3,130,871	3,871,630	4,689,925	4,204,758	4,434,331
Change in benefit terms	-	-	(62,406)	-	(5,994,260)	-	-
Difference in expected and actual experience	(9,210,126)	-	(2,384,276)	(16,883,704)	3,107,162	-	5,715,871
Changes in assumptions and other inputs	13,344,301	(32,004,085)	(7,150,879)	15,609,268	21,754,192	(13,119,258)	(7,286,433)
Benefit payments	(3,399,685)	(3,279,196)	(3,048,340)	(3,085,894)	(2,980,106)	(3,017,422)	(2,857,776)
Net changes	9,635,805	(25,054,931)	(2,662,903)	5,899,232	24,649,460	(6,939,294)	4,483,089
End of year	$ 124,272,593	$ 114,636,788	$ 139,691,719	$ 142,354,622	$ 136,455,390	$ 111,805,930	$ 118,745,224
Covered payroll	$ 35,738,507	$ 33,349,389	$ 28,649,329	$ 27,814,883	$ 30,129,800	$ 29,169,783	$ 26,441,060
OPEB liability as a percentage of covered payroll	347.74%	343.75%	487.60%	511.80%	452.90%	383.30%	449.08%
COMPONENT UNIT							
Beginning of year	$ 93,728	$ 111,179	$ 111,635	$ 125,040	$ 111,834	$ 121,004	$ 116,436
Changes for the year							
Service cost	-	-	-	-	-	4,994	4,562
Interest	3,403	2,245	2,324	3,363	4,490	4,206	4,519
Difference in expected and actual experience	(12,528)	-	(1,898)	(13,240)	2,847	-	5,825
Changes in assumptions and other inputs	6,633	(15,323)	3,151	1,053	10,480	(15,352)	(7,425)
Benefit payments	(4,537)	(4,373)	(4,033)	(4,581)	(4,611)	(3,018)	(2,913)
Net changes	(7,029)	(17,451)	(456)	(13,405)	13,206	(9,170)	4,568
End of year	$ 86,699	$ 93,728	$ 111,179	$ 111,635	$ 125,040	$ 111,834	$ 121,004
Covered payroll	$ 24,933	$ 27,267	$ 22,801	$ 21,812	$ 27,609	$ 29,177	$ 26,945
OPEB liability as a percentage of covered payroll	347.73%	343.74%	487.61%	511.81%	452.90%	383.30%	449.08%
Summary of changes in assumptions							
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Measurement date	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018
Discount rate	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%
Salary rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Rate of inflation	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.20%
Mortality	RPH-2021	RPH-2021	RPH-2014	RPH-2014	RPH-2014	RPH-2014	RPH-2014

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability/Asset

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
ERS										
City's proportion of the net pension liability (asset)	0.0438594%	0.0421607%	0.0406900%	0.0445037%	0.0445009%	0.0441821%	0.0441450%	0.0430345%	0.0448128%	0.0414829%
City's proportionate share of the net pension liability (asset)	$ 6,457,873	$ 9,040,963	$ (3,326,241)	$ 44,314	$11,784,096	$ 3,130,439	$ 1,424,756	$ 4,043,615	$ 7,192,574	$ 1,401,392
City's covered-employee payroll	$14,439,681	$13,947,814	$12,633,384	$12,143,795	$13,189,843	$12,666,480	$12,338,654	$11,989,705	$ 11,172,064	$ 11,151,124
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	44.72%	64.82%	-26.33%	0.36%	89.34%	24.71%	11.55%	33.73%	64.38%	12.66%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
Summary of changes in assumptions										
Inflation	2.9%	2.9%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost-of-living adjustments	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014
PFRS										
City's proportion of the net pension liability	0.394985%	0.359415%	0.339402%	0.357258%	0.337914%	0.344726%	0.340771%	0.346204%	0.334572%	0.3247468%
City's proportionate share of the net pension liability	$18,733,452	$19,805,485	$ 1,927,955	$ 6,202,976	$18,061,270	$ 5,781,277	$ 3,444,365	$ 7,175,602	$ 9,905,974	$ 893,897
City's covered-employee payroll	$14,979,682	$13,510,708	$12,565,997	$11,746,359	$12,211,147	$11,696,843	$11,214,957	$11,329,361	$ 10,779,863	$ 9,727,795
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	125.06%	146.59%	15.34%	52.81%	147.91%	49.43%	30.71%	63.34%	91.89%	9.19%
Plan fiduciary net position as a percentage of the total pension liability	88.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.46%	90.24%	99.00%
Summary of changes in assumptions										
Inflation	2.9%	2.9%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	6.2%	6.2%	5.7%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%	6.0%
Cost-of-living adjustments	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Schedule of Pension Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
ERS										
Contractually required contribution	$ 2,019,601	$ 1,678,002	$ 1,339,904	$ 1,836,292	$ 1,788,958	$ 1,736,306	$ 1,712,380	$ 1,722,111	$ 1,644,685	$ 2,154,563
Contributions in relation to the contractually required contribution	$ 2,019,601	$ 1,678,002	$ 1,339,904	$ 1,836,292	$ 1,788,958	$ 1,736,306	$ 1,712,380	$ 1,722,111	$ 1,644,685	$ 2,154,563
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 14,332,190	$ 13,843,984	$ 12,539,339	$ 12,053,395	$ 13,091,656	$ 12,572,189	$ 12,246,803	$ 11,900,452	$ 11,088,897	$ 11,068,113
Contributions as a percentage of covered-employee payroll	14.09%	12.12%	10.69%	15.23%	13.66%	13.81%	13.98%	14.47%	14.83%	19.47%
PFRS										
Contractually required contribution	$ 4,423,440	$ 3,550,350	$ 3,220,954	$ 3,131,417	$ 2,819,647	$ 2,590,405	$ 2,490,280	$ 2,627,560	$ 2,960,169	$ 2,668,289
Contributions in relation to the contractually required contribution	$ 4,423,440	$ 3,550,350	$ 3,220,954	$ 3,131,417	$ 2,819,647	$ 2,590,405	$ 2,490,280	$ 2,627,560	$ 2,960,169	$ 2,668,289
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 14,868,171	$ 13,410,132	$ 12,472,454	$ 11,658,917	$ 12,120,245	$ 11,609,770	$ 11,131,471	$ 11,245,023	$ 10,699,616	$ 9,655,380
Contributions as a percentage of covered-employee payroll	29.75%	26.48%	25.82%	26.86%	23.26%	22.31%	22.37%	23.37%	27.67%	27.64%

See Independent Auditor's Report.

Combining Non-Major Governmental Funds

The City maintains four special revenue funds that are not considered major governmental funds. These non-major special revenue funds include the following:

- The Downtown Special Assessment District was created to make improvements in the boundaries of the district and is funded through a special assessment on the property owners in the district.

- The West Avenue Special Assessment District was created to make improvements in the boundaries of the district and is funded through a special assessment on the property owners in the district.

- Community Development is used to account for federally funded community development block grants, revolving loan funds and other federally funded programs.

- Debt Service accounts for the resources accumulated, and payments made, for principal and interest on long-term general obligation debt of governmental funds.

The following are financial statements for these non-major governmental funds:

City of Saratoga Springs, New York

Supplementary Information - Combining Balance Sheet - Non-Major Governmental Funds

	December 31, 2024				
	Downtown Special Assessment District	West Avenue Special Assessment District	Community Development	Debt Service	Total
ASSETS					
Cash and cash equivalents	$ 892,744	$ 3,471	$ 377	$ 735,618	$ 1,632,210
Cash and cash equivalents, restricted	1,983	-	105,782	866,986	974,751
Receivables, net	-	-	32,606	-	32,606
Total assets	**$ 894,727**	**$ 3,471**	**$ 138,765**	**$ 1,602,604**	**$ 2,639,567**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	$ 21,025	$ -	$ 87,538	$ -	$ 108,563
Due to other governments	-	-	2,940	-	2,940
Due to other funds	11,500	-	-	853,362	864,862
	32,525	-	90,478	853,362	976,365
Deferred inflows of resources					
Other unavailable resources	-	-	32,606	-	32,606
Total liabilities and deferred inflows of resources	32,525	-	123,084	853,362	1,008,971
Fund balances					
Restricted	1,983	-	15,681	749,242	766,906
Assigned	860,219	3,471	-	-	863,690
Total fund balances	862,202	3,471	15,681	749,242	1,630,596
Total liabilities, deferred inflows of resources and fund balances	**$ 894,727**	**$ 3,471**	**$ 138,765**	**$ 1,602,604**	**$ 2,639,567**

See Independent Auditor's Report.

City of Saratoga Springs, New York

Supplementary Information - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

	Year Ended December 31, 2024				
	Downtown Special Assessment District	West Avenue Special Assessment District	Community Development	Debt Service	Total
REVENUES					
Real property taxes and related tax items	$ 147,720	$ 46,311	$ -	$ 5,211,573	$ 5,405,604
Federal aid	-	-	230,594	-	230,594
Use of money and property	10,167	12	-	206,611	216,790
Miscellaneous	-	-	-	97,470	97,470
Total revenues	157,887	46,323	230,594	5,515,654	5,950,458
EXPENDITURES					
General governmental support	-	1,125	-	49,197	50,322
Home and community services	-	-	299,475	-	299,475
Economic opportunity and development	60,434	-	-	-	60,434
Debt service					
Principal	13,540	-	-	3,572,863	3,586,403
Interest	10,835	-	-	2,504,440	2,515,275
Total expenditures	84,809	1,125	299,475	6,126,500	6,511,909
Excess (deficiency) of revenues over expenditures	73,078	45,198	(68,881)	(610,846)	(561,451)
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	-	-	-	799,066	799,066
Interfund transfers out	-	(49,503)	(40,656)	(623)	(90,782)
Total other financing sources (uses)	-	(49,503)	(40,656)	798,443	708,284
Net change in fund balances	**73,078**	**(4,305)**	**(109,537)**	**187,597**	**146,833**
FUND BALANCES, *beginning of year*	789,124	7,776	125,218	561,645	1,483,763
FUND BALANCES, *end of year*	**$ 862,202**	**$ 3,471**	**$ 15,681**	**$ 749,242**	**$ 1,630,596**

See Independent Auditor's Report.